

Constituent Support for the FTC's Noncompete Rule



Montana | Statewide Impact

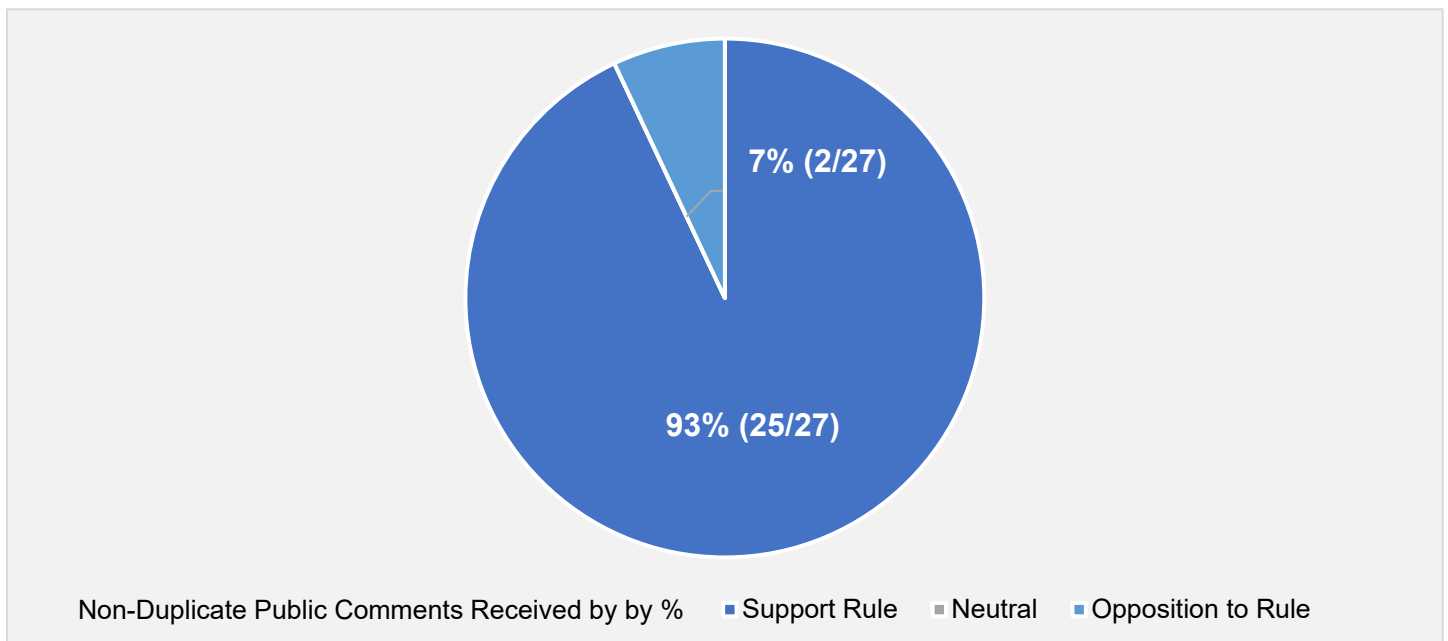


On April 23, 2024, the Federal Trade Commission issued a **final rule** to promote competition by **banning noncompetes** nationwide, protecting the fundamental **freedom of workers** to change jobs, **increasing innovation**, and fostering new **business formation**. The FTC estimates that the final rule will result in **8,500 more new businesses** each year, and **\$400-488 billion in increased wages** over the next decade, including for **Montana**:

Montana Covered Workers	Increase in Total Annual MT Worker Earnings	Increase in MT Average Annual Worker Earnings
396,982	\$191,696,465	\$483




[Estimated Increases in Total Annual and Average Worker Earnings by State \(ftc.gov\)](https://www.ftc.gov)



Notice of Public Rulemaking: 25 of 27 MT Commenters Support



Support Across Sectors of the Montana Economy

*Some comments condensed due to length.

Profession	Comment
	<p>“I think it is fundamental to abolish non-compete agreements. They are inherently "anti-free-market." As a future physician, my goal is to cover critical access hospitals in small towns. I want to live in such a small town for a long time. However, if (I) choose to break away from the hospital, I cannot practice medicine in the town at all due to the non-compete. I would be forced to move elsewhere and the town would lose a physician. After a global pandemic and, frankly, the disaster that is the current American Medical system, we need to do everything we can to support healthcare workers. In my opinion, strengthening the free market within healthcare will do nothing but improve things and drive down prices from increased competition. Non-compete clauses should be completely abolished.”</p> <p style="text-align: right;"><i>-Justin P.</i></p>
	<p>“As a small business owner and employer of 15 highly skilled individuals, I whole-heartedly support the proposed Non-Compete Clause Rule. Limiting an employee's ability to seek and take a different job in the same sector has substantial negative implications for equity, mobility, and labor rights, as it can lock an employee into a job or an organization without the ability to advocate to an employer for their needs. Non-compete clauses also disincentivize employers from being flexible and responsive to employee concerns about workplace challenges, since there is the constant threat that if an employee doesn't like something and chooses to quit, they won't be able to find another position. I understand the concern from the business side about employees taking trade secrets and other sensitive information and skills with them to a competitor. However, there are other legally binding contractual mechanisms that ensure that employees must not take proprietary information to the competition. Non-compete clauses are an additional and unnecessary burden on employees and the labor pool, and should be limited in most or all cases.”</p> <p style="text-align: right;"><i>-Kristal J.</i></p>
	<p>“I am a university professor who... can move to another job if I become unhappy in my current position. Happily, I have not chosen to exercise that option ...The cliché for blackmail is "Your money or your life," spoken at gunpoint. Non compete clauses are a way that employers force employees to choose between a salary and quality of life, where the non complete clause takes the place of the gun — the instrument of coercion. Employees are forced to sign non-complete clauses when they exercise their right to move to a new job. The FTC has a mandate to help ensure a level playing field in the dance between employers and employees. I urge the FTC to curtail or eliminate the use of non compete clauses to rebalance a situation that has clearly spiraled out of control.”</p> <p style="text-align: right;"><i>-G. P.</i></p>

	<p>“My wife and I are strongly against efforts to stop the non-compete rule. It is a way for big business and the chamber of commerce to keep workers in a condition of near servitude and financial bondage. They believe that freedom is something to be possessed only by big corporations and the wealthy. We strongly urge that the FTC should not fold against the all-powerful business community.”</p> <p style="text-align: right;">-Robert and Georgette</p>
	<p>“I am an orthopedic surgeon in a small rural town. Our proactive was acquired by our local catholic hospital system in order to improve the financial model and attract young providers to replace retiring doctors. Unbeknownst to us, the catholic hospital system was in negotiations with a larger hospital system from out of state. That merger ultimately was completed. After hying to work with the out of state hospital system for nearly 2 years, it became clear that I could not continue my career with them. I tried to negotiate a separation that would nullify my noncompete agreement and allow me to continue to care for my community, and operate in THEIR hospital. The situation sounds like a win-win for everyone. However, because I was considering joining a competing entity, who has no presence in my community, the out-of-state system refused to wave my non-compete. This has forced me to move my practice out of a small, rural community. It has also negatively affected the finances of the one local hospital, leading to layoffs. If there were no non-compete clauses, my rural community would have BETTER healthcare and a more vibrant medical community.”</p> <p style="text-align: right;">-A. R.</p>

Additional Support from Connecticut

*Some comments condensed due to length.

Constituent First Name	Comment Highlights
eric	“Please stop non-competes from enforcing oligopolies in this country. As a practicing physician, this adds another layer of complexity and cost to my already difficult business.”
Lauren	"As a primary care physician , I am in support of banning non compete clauses. These clauses absolutely impair free movement of employees and, I believe harm innovation and patient care. In the small rural community that I serve, my non compete clause in my contract necessitates that as not work in a 12 mile radius for the 12 months after a I leave my position...This absolutely creates such a disincentive to physicians, that it does encourage exploitation of us as workers. We are a critical workforce under huge strain since the pandemic, please ban non compete clauses."

Physician	<p>"I am psychiatrist from Montana, the state with one of the worse shortage of psychiatrists and highest suicidal deaths rates in US (3rd place from the top after Wyoming). However, to stay in Montana after leaving local hospital is difficult because of Non-compete clause in a contract. Non- compete has to be banned in healthcare at least in states like MT, where population in such need of mental health. This will improve access to MD psychiatric help!"</p>
Lee	<p>"I support the ban of non-compete clauses. I work in healthcare and the non-compete clauses used by bigger organizations are a burden to the healthcare systems especially in rural areas where providers are hard to recruit. Keeps people from staying in die community if they choose to leave the larger organizations."</p>
Janelle	<p>"As an independent contractor this is a necessary change. Please keep businesses from preying on individuals and flouting labor laws. This is very important. Please do the right thing!"</p>
Nathaniel	<p>"I would strongly support the ban of noncompete clauses in contracting. I am a physician in a rural area with only one hospital that employs essentially all the providers in our town. I have a noncompete clause in my contract and if I were to not be an employee at die hospital any longer then essentially I would have to uproot my life and leave the town entirely and move somewhere else to practice medicine. This would leave a huge gap in specialty care coverage for my patients in this town and put an undue burden on me as I would have to make a major change in my life. The hospital in our town is the only employer however so they force all there medical providers to sign these knowing that this leverage over their employees will keep them working at their facility and to work for lower wages as they have no alternative. It is truly an unfair practice by our hospital to lower wages and reduce employee bargaining power that needs to end. It is not just the providers who are harmed but this reduces the number of qualified physicians who want to come to this rural area and provide much needed medical care for the community leaving the community members having to travel great distances to get care they need."</p>
Nicole	<p>"The practice of non-competes scaling down to the middle- and working-classes is insidious and shackling In a world where cost-of-living is absurd, a non-compete handcuffs workers to two things: stasis with little room for income growth or having to change careers entirely. This is not only unfair, but devastating when rent takes up most of our income. If a competitor is willing to pay me for what I'm good at, I can use that as internal leverage or jump ship. This is happening a lot in the content media world, where non-competes for staff writers and editors (already the little guys) constrict our movement and eventually our voice. Please destroy the non-compete in American culture. It literally pulls competition right out of the competitive marketplace for the people who have the most to lose."</p>
David	<p>"Noncompete clauses in employment contracts harm workers by reducing wages and preventing them from finding new and better opportunities. About one in five workers are subject to noncompete clauses, which heavily favor employers and prevent workers from seeking new opportunities within a set amount of time after</p>

	<p>leaving their job. These provisions reduce competition by keeping workers at one company from working for another or starting a competing business, basically undermining the most critical power non-union workers have—the ability to quit.”</p>
Logan	<p>“I really hope that this regulation goes through. Non compete clauses cause me a lot of headache in the industry I work in. In the file I uploaded below it says that die punishment for breaking die non compete clause is not getting paid.”</p>
Anne	<p>“I am a psychiatrist in a rural area of Montana. Noncompete clauses in healthcare decrease patients rights to choose who they see for care and decrease access. My healthcare organization would like to implement a noncompete clause in our contract. There are no other major healthcare organizations in our community and therefore no competition. However, if I decide to leave this organization, I would have to leave my community and therefore leave them without access to a psychiatrist in this area.”</p>
Brian	<p>“Non competes are restricting economic independence of individuals for die benefit of corporations. In veterinary medicine, it has simply become egregious. The FTC should examine the impact on this sector even if broader reform of regulations aren't passed.”</p>
D	<p>“I am a National Board Certified Health and Wellness Coach and 1 live in Montana. I provide health coaching services remotely and have had clients from various states in the US and other countries. In 2021 1 became a contractor for a direct-to-consumer telehealth company that serves patients in the US. I started in a contractor role, where I was guaranteed a minimum number of hours of work per week (10 hours) and no benefits. Yet, as a contractor, I had to agree to devote my time and attention to this company and forego providing telehealth coaching services through any other business without the prior approval of the company. The contract also included confidentiality, non-solicitation, and trade secrets clauses, along with a non-compete clause that was supposed to last one year from the termination of my employment, regardless of the reason for the end of my employment. I was able to negotiate keeping my small private practice, and perhaps seek other work, but only with a particular type of telehealth company (those providing health coaching through an employee assistance program); I could not work with other companies that provided telehealth coaching more broadly. I was also able to negotiate a reduction in the non-compete post-employment period to six months. I had to do all of this negotiation for a contract that did not guarantee that I would be able to work the number of hours needed to secure a living wage, with no guarantee that I would be invited to work part-time or full-time in the future, and where my opportunities to seek additional work were severely limited. After thirteen months, the company eliminated my department. All of our clients were given exceedingly short notice that their health coaching services were being terminated. The original contracts non-solicitation and confidentiality clauses prohibited me from reaching out to any soon-to-be fonner clients to offer continued services if they so chose. In addition, the non-compete clause prohibited me from applying for work with any other telehealth company offering coaching services in the US for six months post-employment. Upon notice of termination, the company</p>

	<p>required that I sign a severance agreement. I was able to negotiate a small concession. I was still prohibited from reaching out to my former clients due to the confidentiality provisions of the contract, even though these individuals could no longer get these services from the company. However, the company said it wouldn't sue me if I sought work with other companies that provided services similar to the health coaching services the company no longer provided. I considered myself fortunate to have been able to negotiate a few minor changes to a contract and severance agreement with a non-compete clause. Most people don't know they can push back on a contract. The time constraints put on signing a contract (in this case 48 hours) increases the sense of urgency to accept whatever you are provided with, and the act of negotiating can cause a sense of fear that your job offer might be retracted if you try to negotiate the offer. Finally, there was an unanticipated obstacle that arose during my post-employment period. Many applications for other positions asked if I had signed non-compete agreements with other companies. I answered truthfully and never heard back from those companies, losing out on even the possibility of an interview for employment.”</p>
Klaas	<p>“A non-compete clause in a contract prevents one from doing what he is trained to do if he gets terminated from one position for whatever reason and also forces one to keep the job he currently has regardless of working conditions. This is unfair to the employee or independent contractor that has signed such an agreement usually as he's unaware of the non-compete clause.”</p>
Nick	<p>“Due to the healthcare shortage, non compete rules should be eliminated to allow patients to have physicians stay in their area.”</p>
Christy	<p>“I am a LMT in MT that had worked for a chiropractor office that required to sign a contract for employment that included a no-compete for 2 years post employment within 7 miles of the establishment. Unfortunately, the entire city is approximately 7 miles in diameter which has now blocked me from continuing to offer a non-invasive approach to pain relief to the community I have grown to call home. In my opinion, an individual has their own right to choose how they spend their money on a service regardless of the location; especially when it involves their own bodies. I am against non-compete clauses.”</p>
Brendan	<p>“I do not want non-compete clauses for Americans! It's a ridiculous matter to stop a hard working individual from doing what they want to do!”</p>
Michele	<p>“For years, Physicians have been restricted by contract limitations. Restricting these limitations would allow us to care for more patients and improve the current crisis of limited access to care.”</p>
Robert and Georgette	<p>“My wife and I are strongly against efforts to stop the non-compete rule. It is a way for big business and the chamber of commerce to keep workers in a condition of near servitude and financial bondage. They believe that freedom is something to be</p>

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