

# Congress of the United States

Washington, DC 20510

November 21, 2025

The Honorable Pam Bondi  
Attorney General  
Department of Justice  
950 Pennsylvania Avenue NW  
Washington, DC 20530

The Honorable Andrew Ferguson  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Attorney General Bondi and Chairman Ferguson:

On September 5, 2025, the Department of Justice (DOJ) withdrew its appeals to defend a 2024 rule banning non-compete clauses. The decision by the DOJ comes after the Federal Trade Commission (FTC) voted 3-1 on a party-line basis to dismiss the appeal of two federal district court decisions that prevented the FTC from enforcing the ban.<sup>1</sup> Non-compete clauses are employment provisions that prohibit individuals from joining a competing firm or starting a new competing venture after leaving their employer. While Chairman Ferguson announced that the FTC will attempt to use existing power to block aspects of some non-competes on a case-by-case basis, we believe this will be woefully insufficient to help the estimated 30 million Americans whose economic freedom is limited by non-compete clauses.<sup>2</sup>

Non-compete clauses hurt workers across all income levels. Non-competes suppress wages and lower job quality by depriving workers of bargaining leverage and trapping them in bad or lower-paying jobs. The FTC estimated that its ban on non-compete clauses would increase workers' earnings by approximately \$400 billion over the next decade.<sup>3</sup>

These clauses also harm consumers by increasing prices and limiting their choices. A ban on non-compete clauses would increase competition for existing businesses, especially in sectors such as health care, where the FTC estimated a ban on non-competes would lower costs for consumers by as much as \$194 billion over the next decade through increased competition.<sup>4</sup> In health care, non-compete clauses also prevent physicians from starting new practices in their communities, limiting physician autonomy and patients' ability to seek care from a doctor of their choice.

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<sup>1</sup> A third federal district court decision denied a preliminary injunction against the ban, finding the FTC likely to succeed in proving it lawful. However, after losing at the preliminary injunction stage, the plaintiffs abandoned their challenge to the rule.

<sup>2</sup> <https://www.npr.org/2025/09/05/nx-s1-5528937/ftc-noncompete-ban-trump>

<sup>3</sup> [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Non-Compete-Fact-Sheet.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Non-Compete-Fact-Sheet.pdf)

<sup>4</sup> Same as above.

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Additionally, non-compete clauses hurt economic growth by limiting entrepreneurship and preventing existing small businesses from hiring skilled workers. Research from Small Business Majority found that 33 percent of small business owners were prevented from hiring an employee due to a non-compete clause, and nearly 50 percent were subject to a non-compete clause that prevented them from starting or growing a business of their own.<sup>5</sup> In 2024, the FTC found that banning non-competes would grow the American economy and lead to the creation of over 8,500 startups each year.<sup>6</sup>

We appreciate FTC Chair Ferguson’s acknowledgement of the harm non-compete clauses can pose when he asserted these agreements, “can be, and sometimes are, abused to the effect of severely inhibiting workers’ ability to make a living,” and the FTC continuing case by case enforcement of illegal non-compete clauses.<sup>7</sup> However, this strategy will be insufficient to combat the harmful consequences of non-competes.

In the absence of an administrative effort to ban non-compete clauses, we urge the Administration to work with Congress to pass legislation to ban non-compete clauses. In 2024, current Chairman Ferguson and Commissioner Holyoak stated in their dissent that the FTC lacked statutory authority to issue a rule banning non-competes. A legislative ban on most non-compete clauses would resolve that concern while increasing workers’ wages, lowering costs for consumers, supporting small businesses, and spurring economic growth. Thank you for your attention to this matter.

Sincerely,



Scott H. Peters  
Member of Congress



Christopher S. Murphy  
United States Senator



Maggie Goodlander  
Member of Congress



Tim Kaine  
United States Senator

<sup>5</sup> <https://www.murphy.senate.gov/newsroom/press-releases/support-grows-for-murphy-young-legislation-to-limit-the-use-of-non-compete-clauses>

<sup>6</sup> <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-rule-banning-noncompetes>

<sup>7</sup> [https://www.ftc.gov/system/files/ftc\\_gov/pdf/ferguson-holyoak-statement-re-noncompete-acceding-vacatur.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/ferguson-holyoak-statement-re-noncompete-acceding-vacatur.pdf)

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Ilhan Omar  
Member of Congress



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Greg Casar  
Member of Congress



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Becca Balint  
Member of Congress



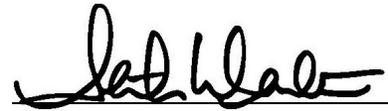
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Jesús G. "Chuy" García  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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Seth Moulton  
Member of Congress



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Kirsten Gillibrand  
United States Senator



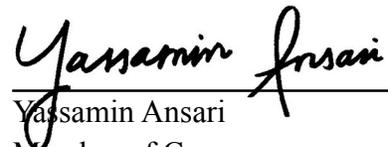
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Chris Van Hollen  
United States Senator



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Ruben Gallego  
United States Senator



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Yassamin Ansari  
Member of Congress



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Mary Gay Scanlon  
Member of Congress



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Chris Deluzio  
Member of Congress