



Office of the Chairman

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

[Date]

Via Federal Express and Electronic Mail

[Name]
[Address]
[email]

Re: Noncompete Agreements

Dear [Name],

I write regarding the Federal Trade Commission's commitment to vigorously protecting Americans from anticompetitive conduct and unfair methods of competition. As part of that mission, the agency works to educate businesses and employers about their rights and responsibilities, and where necessary, initiates investigations and enforcement actions.

The FTC is committed to rooting out unfair and anticompetitive conduct in labor markets¹ and the healthcare sector.² Available information suggests that many healthcare employers and staffing companies include noncompete agreements ("noncompetes") in employment contracts that may unreasonably limit employment options for vital roles like nurses, physicians, and other medical professionals. Noncompetes may have particularly harmful effects in healthcare markets where they can restrict patients' choices of who provides their medical care—including, critically, in rural areas where medical services are already stretched thin.³

The FTC has authority under Section 5 the FTC Act, 15 U.S.C. § 45, to investigate unfair methods of competition, including noncompete agreements that are unjustified, overbroad, or otherwise unfair or anticompetitive.⁴ While narrowly tailored noncompetes can serve valid purposes in certain circumstances, available evidence indicates that in practice many employers

¹ See, e.g., Press Release, FTC, FTC Launches Joint Labor Task Force to Protect American Workers (Feb. 26, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/02/ftc-launches-joint-labor-task-force-protect-american-workers>.

² See, e.g., Press Release, FTC, FTC Renews Challenge of More Than 200 Improper Patent Listings (May 21, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/05/ftc-renews-challenge-more-200-improper-patent-listings> (quoting Chairman Andrew Ferguson as stating, "The American people voted for transparent, competitive, and fair healthcare markets and President Trump is taking action. The FTC is doing its part . . . The FTC will continue to vigorously pursue firms using practices that harm competition.").

³ See Request for Information Regarding Employee Noncompete Agreements, FTC (Sept. 4, 2025) ("Noncompete RFI"), https://www.ftc.gov/system/files/ftc_gov/pdf/2025-Noncompete-RFI.pdf.

⁴ Although the Biden-era rule purporting to ban noncompetes nationwide was immediately vacated by the federal courts and never took effect, the FTC remains committed to addressing unfair and anticompetitive noncompetes on a case-by-case basis, to the fullest extent of the law.

impose noncompetes without due consideration to whether they are necessary and appropriate under the circumstances, including whether less restrictive alternative contract terms may sufficiently achieve the same procompetitive purposes. For example, noncompetes may be overbroad in duration or geographic scope. Or they may be inappropriate for certain roles entirely.

The FTC is focusing resources on enforcing Section 5 of the FTC Act against unlawful noncompetes, particularly in the healthcare sector. Accordingly, I encourage you to conduct a comprehensive review of your employment agreements—including any noncompetes or other restrictive covenants—to ensure that they comply with applicable laws and are appropriately tailored to the circumstances. If your company is currently using noncompetes that are unfair or anticompetitive under the FTC Act, I strongly encourage you to discontinue them immediately and to notify relevant employees of the discontinuance.

This letter is not intended to be a comprehensive statement of concerns that may exist in connection with noncompetes or other post-employment restraints. Additionally, please note that I am distributing similar notifications to many large employers and staffing firms in the healthcare sector, and your receipt of this letter is not intended to suggest that you have engaged in illegal conduct. As always, it is your company's responsibility to comply with all requirements of federal law, including Section 5 of the FTC Act.

Please direct any inquiries concerning this letter to Logan Wilke (lwilke@ftc.gov or (202) 326-2295), including any requests to meet with FTC staff regarding its subject matter.

Respectfully,

Andrew N. Ferguson
Chairman
Federal Trade Commission