



April 19, 2023

Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

**Re: Comments on the Proposed Non-Compete Clause Rule, 16 CFR Part 910, RIN 3084-AB74, Matter No. P201200**

To whom it may concern:

Michigan Chamber of Commerce (“Chamber”) is writing to voice its opposition to the Federal Trade Commission (“FTC”) regarding the proposed Non-Compete Clause Rule, 16 CFR Part 910, RIN 3084-AB74. The Chamber is the unified voice of approximately 5,000 member businesses of every size and industry in all 83 counties as well as trade associations and local chambers of commerce, collectively employing over a million Michiganders.

The Chamber is strongly opposed the proposed rule. *First*, non-compete clauses are, and for more than a century have been, an issue of state law, not federal regulation. Michigan policymakers have made a policy choice to recognize reasonable non-compete clauses and courts have upheld that policy choice as entirely legitimate and pro-competitive. Without clear direction from Congress, a federal agency has no business intervening in state law and interrupting state-governed contract law. *Second*, and relatedly, the FTC lacks the statutory or constitutional authority to issue this rule. Congress never gave the FTC the necessary statutory authority and, under the Constitution, a federal agency cannot issue such a sweeping rule without express authorization. *Third*, non-compete clauses, when appropriately used, help our state’s economy, businesses, and employees. Studies have shown that non-compete clauses can lead businesses to invest more in their employees and allow them to better protect their intellectual property.

In a recent survey of Chamber members, 77% of respondents indicated their company utilizes contract clauses such as non-competes, non-solicits or forfeiture provisions in equity award agreements, severance agreements and/or employment agreements. Over 95% indicated they utilize non-competes in employment agreements. The FTC’s proposed rule would invalidate these agreements, which are a crucial tool in fostering innovation and preserving competition.

Thank you for the opportunity to share our views and to oppose the proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read "W Block", written in a cursive style.

Wendy Block  
Senior Vice President of Business Advocacy & Member Engagement

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