

U.S. Rep. Gallagher: Introduces bill to protect American workers

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WASHINGTON, D.C. — Reps. Mike Gallagher (R-WI), Scott Peters (D-CA), Peter Meijer (R-MI), and Anna Eshoo (D-CA) today re-introduced the bipartisan, bicameral Workforce Mobility Act, a bill that would help American workers by limiting employers' ability to force employees to sign non-compete agreements. The companion legislation was introduced yesterday in the Senate by Senators Chris Murphy (D-CT), Todd Young (R-IN), Kevin Cramer (R-ND), and Tim Kaine (D-VA). Click [HERE](#) for bill text.

"Non-compete agreements restrict mobility in the workforce and hinder economic growth," said Rep. Gallagher. "As we continue to rebuild our economy, it's critical we modify burdensome regulations like this that can prevent workers from switching jobs and advancing in their careers. The Workforce Mobility Act is a bipartisan, common-sense way to reform non-compete agreements and empower American workers, and I'm proud to join Reps. Peters, Meijer, and Eshoo in introducing this bill."

"Non-compete agreements slow the pace of economic innovation and productivity," said Rep. Peters. "These agreements restrict workers, disrupt labor markets, and hinder economic prosperity for workers across the country. Our bill aims to give power back to the American worker so they can achieve their full potential and enhance our economy's competitiveness."

"The expansion of non-compete agreements into labor markets has led to negative impacts on wage growth and hobbled broader economic gains," said Rep. Meijer. "As the country seeks to recover from the effects of the COVID pandemic, it is critical we enact policies that support flexibility and opportunity for workers both in West Michigan and across the nation. I'm proud to support this common-sense legislation which will protect businesses with bona fide intellectual property concerns while also liberating workers and enabling them to seek greater prosperity."

"For over a century, Californians have been able to move freely in the job market without restrictive non-compete agreements standing in the way of entrepreneurship and market competition. Because of that, Silicon Valley has become a global powerhouse for innovation," said Rep. Eshoo. "Unfortunately, nationwide, one in five Americans are constrained by non-compete agreements that trap them in low-paying positions and keep them from transitioning jobs. As we work to restore our economy, it's important that we empower American workers to freely pursue their careers. I'm proud to introduce the Workforce Mobility Act with Reps. Peters and Gallagher to prohibit non-compete agreements across our country, ensuring Americans have the freedom to innovate."

Nearly one in every five workers nationwide is covered by a non-compete agreement, with 40 percent of all American employees having been constrained by a non-compete agreement at some point during their career. Research has shown that the inclusion of non-compete clauses hampers market competition, as workers with specifically honed skills get trapped in low-paying jobs with restrained ability to transition jobs.

The Workforce Mobility Act would combat these challenges by:

- Narrowing the use of non-compete agreements to include only necessary instances of a dissolution of a partnership or the sale of a business;
- Placing the enforcement responsibility on the Federal Trade Commission and the Department of Labor, as well as a private right of action;
- Requiring employers to make their employees aware of the limitation on non-competes, as studies have found that non-competes are often used even when they are illegal or unenforceable. The Department of Labor would also be given the authority to make the public aware of the limitation; and
- Requiring the Federal Trade Commission and the Department of Labor to submit a report to Congress on any enforcement actions taken.