



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 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 Federal Trade Commission is committed to rooting out unfair and anticompetitive conduct in labor markets.¹ To this end, the FTC has been using its authority under Section 5 of the FTC Act, 15 U.S.C. § 45, to investigate whether particular non-compete agreements (“noncompetes”) are unjustified, overbroad, or otherwise unfair or anticompetitive.² Today, the FTC announced a proposed consent order prohibiting one of the largest pest-control-services firms in the country—Rollins, Inc. and its subsidiaries—from entering into, maintaining, or enforcing noncompetes with most of its employees or former employees.

Available information suggests that other employers in the pest-control-services industry may be imposing the same unlawful worker restraints as Rollins. These noncompetes may similarly harm competition, thereby unjustifiably restricting mobility and access to job opportunities and causing reduced wages, salaries, and benefits, as well as less favorable working conditions. Lower-income workers feel these injuries most acutely. Moreover, noncompetes in the pest-control industry can suppress competition by impeding the entry, expansion, and growth of competitors. One way this can happen, and of particular concern, is by preventing or limiting former employees from starting new small businesses that would compete with larger incumbents in the pest-control industry. This appears to harm consumers by impeding

¹ Press Release, Fed. Trade Comm’n, *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., Complaint, *In re Gateway Pet Memorial Servs.*, FTC Matter No. 2210170 (Sept. 4, 2025); see also Remarks of Chairman Andrew N. Ferguson at FTC Workshop on Noncompete Agreements 11 (Jan. 27, 2026), <https://www.ftc.gov/news-events/news/speeches/remarks-chairman-andrew-n-ferguson-ftc-workshop-noncompete-agreements> (“The days of unreflective, unjustified, and anticompetitive noncompete agreements are over. If a company wants to execute a noncompete agreement, they better be prepared to defend it.”).

the emergence of service providers that may offer lower prices or higher quality services; it also appears to harm workers by restricting access to better wages and benefits.

Moreover, FTC staff's review of noncompetes in this industry suggests they are not reasonably necessary to promote any procompetitive aims. Pest-control technicians, for example, typically do not maintain the sort of trade secrets or confidential information that would warrant noncompetes, and employers may use less restrictive alternatives to cover any concerns they do have.

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. I strongly encourage you immediately to discontinue the use of any noncompetes or other agreements that were or are not reasonably necessary to achieve procompetitive aims and to notify relevant workers of the discontinuance. Any such notice to affected employees should be clear and accessible.

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 other pest control services companies, and that issuance of this letter is not intended to suggest that a determination has been made that your company has 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 Caroline Holland (cholland@ftc.gov), including any requests to meet with FTC staff regarding its subject matter.

Respectfully,

Andrew N. Ferguson
Chairman
Federal Trade Commission