

LEGAL UPDATE

President Biden Issues Executive Order to Promote Competition in the American Economy

On July 9, 2021, President Joe Biden issued an [executive order](#) to promote competition in the American economy. As stated by the accompanying [fact sheet](#), the order's objectives include reducing the trend of corporate consolidation, increasing competition and delivering concrete benefits to America's consumers, workers, farmers and small businesses.

Reducing Barriers to Competition

The order directs over a dozen federal agencies, including the Federal Trade Commission (FTC) to look into unfair competition practices, including, among other things:

- Restrictive covenant and non-compete agreements;
- Prescription drug prices;
- Internet billing and termination practices;
- Airline refunds and cost comparison practices;
- Facilitating the mobility of banking transaction data; and
- Increasing opportunities for small businesses by directing all federal agencies to promote greater competition through their procurement and spending decisions.

Next Steps

The order does not invalidate any of the practices and procedures mentioned above.

However, industry experts recommend that employers take time now to review, at the very minimum, their use of restrictive covenant agreements and evaluate how this order may impact their practices.

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Important Initiatives

- Encourages the FTC to ban or limit non-compete agreements
- Encourages the FTC to ban unnecessary occupational licensing restrictions that impede economic mobility
- Encourages agencies to prevent employers from collaborating to suppress wages or reduce benefits by sharing wage and benefit information with one another
- Establishes a White House Competition Council, led by the Director of the National Economic Council

The executive order seeks to increase competition and deliver concrete benefits to consumers, workers, farmers and small businesses.



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