## JOHN R. EVANS, MEMBER

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House of Representatives

Commonwealth of Pennsylvania Harrisburg COMMITTEES
GAMES AND FISHERIES,
REPUBLICAN CHAIRMAN
CONSUMER AFFAIRS
RULES

**POLICY** 

## **MEMORANDUM**

DATE:

May 14, 2012

TO:

All House Members

FROM:

Representative John Evans

5<sup>th</sup> Legislative District

SUBJECT:

Introduction of Legislation - Broadcast Employment Free Market Act

JRE

In the near future, I plan to re-introduce former HB2118, legislation that would prohibit a broadcasting industry employer to require "non-compete" or "first refusal" provisions in any contract with a broadcast employee. First refusal provisions often act as de facto non-compete clauses when the period of first refusal extends beyond the term of an employment contract.

Broadcast employees do not possess trade secrets or other confidential information that requires protection. The only investment employers have is the business expense to market these television and radio personalities. Interestingly, the major network anchors and correspondents like Katie Couric, and Brian Williams do not have non-compete clauses in their contracts. Major networks protect their interests through other measures, such as signing talent to a long-term contract, and offering "exclusive negotiation" rights, which would prohibit employees from negotiation with another employer for a period of time before their contract expires.

California, Massachusetts, Maine, Illinois, Arizona and Washington D.C. have banned the use of non-compete clauses, and Connecticut has banned non-compete and first refusal periods. ABC/Disney, Viacom/CBS, GE/NBC, Clear Channel and other large companies operate very successfully and competitively in these jurisdictions. In short, there is no justifiable basis for the insertion of non-compete clauses in contracts within the broadcast industry.

If you are interested in cosponsoring this legislation, please contact Sara Peck at 772-9940 or via email at speck@pahousegop.com.