



**Testimony of Laura Miller Brooks**  
Senior Transportation and Infrastructure Associate  
Federal City Council

**Committee on Labor & Workforce Development**  
Chair Elissa Silverman

**Hearing on “The Non-Compete Conflict of Interest Clarification Amendment Act of 2021”**

**July 14, 2021**  
1:00 pm

Good afternoon. My name is Laura Miller Brooks and I work at the Federal City Council where I handle the infrastructure and transportation portfolio.

I’m here today to testify against the ban on noncompetes. Before joining the Federal City Council, I worked in tech—first as a co-founder of a legal tech startup and then as the Mid-Atlantic Public Affairs manager for Lime. I know first hand how important noncompetes are in the tech sector.

First, let me say that we at the Federal City Council understand the basis for wanting to make it harder for employers to limit the future employment and earnings potential of their employees in any way. Too many DC residents are not sharing in the prosperity that has been created over the last two decades. Too many are locked out of jobs and careers with income ladders.

But a blanket ban on noncompetes could in the end harm the long-term employment and income prospects of the very group you are trying to help. That is because you could give startups and companies a reason not to locate in DC—and not to hire local DC residents.

Tech startups can have explosive growth. They often need to hire up fast and they pay relatively good wages. Working in tech is a perfect way to get on an income ladder. But time and again we’ve heard that while there is a lot of tech startup activity in the District, those companies tend to move out to the suburbs when they reach a certain size. Within the existing regulatory framework, tech companies are choosing Tysons or Reston over DC.

It would be foolish to give those companies another reason to leave DC.

From my personal experience, I worry tech entrepreneurs and emerging, high-growth tech companies would head to the suburbs before even launching their enterprise here in the District.

When I worked at Lime, a sustainable transit firm that chose DC as one of its core markets, I signed a noncompete.

Why did Lime use noncompetes? Think about it: In tech, protecting your intellectual capital is everything. That's where your value is. Lime, especially at the early stages, was competing in a pretty low-barrier to entry market. *How* they did business was far more important than *what* service they delivered. It's one thing if you know that every jurisdiction has the exact same noncompete regulations in place, which means every startup is on the same regulatory playing field. But in the case of this proposed noncompete legislation, a startup in Tysons, or anywhere in the country, would have an immense advantage over a DC tech firm in their ability to hire competitors and fill jobs. This legislation will harm businesses, especially tech companies, in terms of protecting their trade secrets, scaling quickly and attracting top talent.

Let me offer another example. When I cofounded my legal tech startup, the founding team was primarily compensated in equity and not cash. During the critical seed and Series A stages of a startup, so much of what you really have is an idea, and you have to convince investors that you can make this idea happen with your team's intellectual capital. It increases the risk of an investment if anyone on your team, who has full knowledge of your idea, can just up and work for a competing company, bringing that idea and execution plan along with them. This is especially true when it comes to market disruption. A large firm could poach your team with sky-high salary offerings in order to keep your disruptive idea out of the market or in their clutches.

If DC wants to be a tech powerhouse—and experience all of the equity benefits of having, and incubating major tech employers—then it should not have more onerous regulations than California, New York, Austin, Miami, or any emerging tech hub. And it definitely shouldn't have more onerous regulations than Virginia and Maryland.

Thank you for the opportunity to testify and I hope that you will reconsider this noncompete ban.