

Written Testimony in Opposition to Senate Bill 11 **Submitted to Senate Judiciary Committee by Chad Budreau, Ohio Association of Broadcasters** March 5, 2025

Chairman Manning, Vice Chair Reynolds, and Ranking Member Hicks-Hudson, thank you for the opportunity to submit testimony on behalf of the Ohio Association of Broadcasters (OAB) in opposition to Senate Bill 11. The OAB is the trade association of over-the-air television and radio stations licensed by the Federal Communications Commission to serve communities throughout the state of Ohio. Our member stations take their obligation to serve very seriously and invest significant resources covering news and events, weather and sports, and reporting on breaking news and other emergency information.

SB 11 proposes to eliminate the ability of businesses to include non-compete clauses in their employment contracts. Non-compete agreements have been standard in the broadcast industry for many years, helping to protect the investment that radio and television stations have made in on-air talent and other key employees. These agreements prevent employees from leaving a company and immediately joining a competitor, thus safeguarding sensitive information. proprietary training, and audience loyalty. They provide a necessary balance between employees' freedom to move and employers' need to protect their business interests.

Audience loyalty is critical to the success of radio or television stations, and this loyalty is developed in large part through the trust and rapport that on air-talent builds with their audiences over time. This relationship is invaluable and represents a significant portion of a station's competitive edge. For this reason, radio and television stations invest heavily in their on-air talent. This includes not only financial investments but also extensive training and development programs.

On-air talent are the faces and voices of stations and have strong relationships with our audiences and communities. Stations use a variety of methods to build the brand identity of their anchors and reporters, including on-air promotions, social media, billboards, bus signage, etc. The investment in nurturing these talents is significant, and reasonable non-compete agreements help ensure that this investment is not lost to direct competitors. If on-air talent are able to immediately move between competitors, it could confuse audiences and potentially destabilize the market.

Moreover, key employees at radio and television stations often have access to sensitive information, including advertising clients, strategic plans, proprietary technologies, and audience analytics. Reasonable non-compete agreements help protect this information from being transferred to competitors. The removal of these agreements could lead to a significant risk of intellectual property theft and unfair competition, ultimately harming the industry as a whole.

The proposed removal of non-compete agreements under SB 11 would present a considerable challenge for radio and television stations to retain their talent. Without these agreements, on-air talent may be more inclined to leave for competitors offering slightly better terms, knowing they can take their audience and proprietary knowledge with them. This potential for talent turnover could undermine the stability and growth of broadcast stations in Ohio.

In conclusion, while the intention of SB 11 to promote employee freedom and mobility is commendable, it is essential to consider the adverse effects on industries that rely heavily on talent retention and proprietary information. OAB members stand to face significant challenges in retaining the talent we have invested in, protecting sensitive information, and maintaining audience loyalty.

We urge the committee to carefully weigh these considerations and the potential long-term impacts on our industry. Ensuring a balanced approach that protects the interests of both employees and employers is crucial for the continued success and stability of the broadcasting sector in Ohio.

Thank you for your time and consideration.

Chad Budreau, President

Ohio Association of Broadcasters