the Secretary of the Interior to provide for the use of a portion of such property as a museum to be operated by the Secretary in connection with the Chesapeake and Ohio Canal. Such property shall not be used under authority of any provision of law for any purpose not provided in this Act, unless (1) such law is enacted after the date of enactment of this Act and (2) specifically authorizes such property to be used for such other purpose.

Appropriation.

SEC. 2. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated to the District of Columbia such sums as may be necessary, but not to exceed in the aggregate, $150,000.

Approved September 21, 1966.

Public Law 89-601

September 23, 1966
[H. R. 13712]

AN ACT

To amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

Fair Labor Standards Amendments of 1966.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Amendments of 1966".

TITLE I—DEFINITIONS

TIPS

52 Stat. 1061; 75 Stat. 65. 29 USC 203.

SEC. 101. (a) Section 3(m) of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new sentence: "In determining the wage of a tipped employee, the amount paid such employee by his employer shall be deemed to be increased on account of tips by an amount determined by the employer, but not by an amount in excess of 50 per centum of the applicable minimum wage rate, except that in the case of an employee who (either himself or acting through his representative) shows to the satisfaction of the Secretary that the actual amount of tips received by him was less than the amount determined by the employer as the amount by which the wage paid him was deemed to be increased under this sentence, the amount paid such employee by his employer shall be deemed to have been increased by such lesser amount."

(b) Section 3 of such Act is amended by adding at the end thereof the following new subsection:

"Tipped employee."

"(t) 'Tipped employee' means any employee engaged in an occupation in which he customarily and regularly receives more than $20 a month in tips."

DEFINITION OF ENTERPRISE

SEC. 102. (a) Section 3(r) of such Act is amended by adding at the end thereof the following: "For purposes of this subsection, the activities performed by any person or persons—

"(1) in connection with the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, the mentally ill or defective who reside on the premises of such institution, a school for mentally or physically handicapped or gifted children, an elementary or secondary school, or an institution of higher education (regardless of whether or not such hospital, institution, or school is public or private or operated for profit or not for profit), or

"(2) in connection with the operation of a street, suburban or interurban electric railway, or local trolley or motorbus carrier, if the rates and services of such railway or carrier are subject to regulation by a State or local agency (regardless of whether or not such railway or carrier is public or private or operated for profit or not for profit),

shall be deemed to be activities performed for a business purpose."

(b) Section 3(d) of such Act is amended by inserting after "of a State" the following: "(except with respect to employees of a State, or a political subdivision thereof, employed (1) in a hospital, institution, or school referred to in the last sentence of subsection (r) of this section, or (2) in the operation of a railway or carrier referred to in such sentence)".

(c) Section 3(s) of such Act is amended to read as follows:

"Enterprise engaged in commerce, etc."

"(s) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise which has employees engaged in commerce or in the production of goods for commerce, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person, and which—

"(1) during the period February 1, 1967, through January 31, 1969, is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level which are separately stated) or is a gasoline service establishment whose annual gross volume of sales is not less than $250,000 (exclusive of excise taxes at the retail level which are separately stated), and beginning February 1, 1969, is an enterprise whose annual gross volume of sales made or business done is not less than $250,000 (exclusive of excise taxes at the retail level which are separately stated);

"(2) is engaged in laundering, cleaning, or repairing clothing or fabrics;

"(3) is engaged in the business of construction or reconstruction, or both; or

"(4) is engaged in the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, the mentally ill or defective who reside on the premises of such institution, a school for mentally or physically handicapped or gifted children, an elementary or secondary school, or an institution of higher education (regardless of whether or not such hospital, institution, or school is public or private or operated for profit or not for profit). Any establishment which has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise, and the sales of such establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection."

(d) Section 3 of such Act is amended by adding after subsection (u) (added by section 103(b) of this Act) the following new subsections:

"Elementary school."

"(v) 'Elementary school' means a day or residential school which provides elementary education, as determined under State law.

"Secondary school."

"(w) 'Secondary school' means a day or residential school which provides secondary education, as determined under State law."

AGRICULTURAL EMPLOYEES

52 Stat. 1060. 29 USC 203.

SEC. 103. (a) Section 3(e) of such Act is amended to read as follows:

"Employee."

"(e) 'Employee' includes any individual employed by an employer, except that such term shall not, for the purposes of section 3(u) include—

"(1) any individual employed by an employer engaged in agriculture if such individual is the parent, spouse, child, or other member of the employer's immediate family, or

"(2) any individual who is employed by an employer engaged in agriculture if such individual (A) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (B) commutes daily from his permanent residence to the farm on which he is so employed, and (C) has been employed in agriculture less than thirteen weeks during the preceding calendar year."

(b) Section 3 of such Act is further amended by adding after subsection (t) (added by section 101(b) of this Act) the following new subsection:

"(u) 'Man-day' means any day during which an employee performs any agricultural labor for not less than one hour." "Man-day."

TITLE II—REVISION OF EXEMPTIONS

HOTEL, RESTAURANT, AND RECREATIONAL ESTABLISHMENTS; HOSPITALS AND RELATED INSTITUTIONS

SEC. 201. (a) Section 13(a)(2) of such Act is amended by striking out everything preceding "A 'retail or service establishment'" and inserting in lieu thereof the following: 75 Stat. 71. 29 USC 213.

"(2) any employee employed by any retail or service establishment (except an establishment or employee engaged in laundering, cleaning, or repairing clothing or fabrics or an establishment engaged in the operation of a hospital, institution, or school described in section 3(s)(4)), if more than 50 per centum of such establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located, and such establishment is not in an enterprise described in section 3(s) or such establishment has an annual dollar volume of sales which is less than $250,000 (exclusive of excise taxes at the retail level which are separately stated)." *Ante*, p. 831.

(b)(1) Section 13(b) of such Act is amended by inserting after paragraph (7) the following new paragraph in lieu of the paragraph repealed by section 211 of this Act:

"(8) any employee employed by an establishment which is a hotel, motel, or restaurant; or any employee who (A) is employed by an establishment which is an institution (other than a hospital) primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises, and (B) receives compensation for employment in excess of forty-eight hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed; or".

(2) Section 13(a) of such Act is amended by inserting after paragraph (2) the following new paragraph in lieu of the paragraph repealed by section 202 of this Act:

"(3) any employee employed by an establishment which is an amusement or recreational establishment, if (A) it does not operate for more than seven months in any calendar year, or (B) during the preceding calendar year, its average receipts for any six months of such year were not more than 33⅓ per centum of its average receipts for the other six months of such year; or".

LAUNDRY AND CLEANING ESTABLISHMENTS

SEC. 202. Section 13(a)(3) of such Act is repealed. Repeal.

AGRICULTURAL EMPLOYEES

SEC. 203. (a) Section 13(a)(6) of such Act is amended to read as follows:

"(6) any employee employed in agriculture (A) if such employee is employed by an employer who did not, during any calendar quarter during the preceding calendar year, use more than five hundred man-days of agricultural labor, (B) if such employee is the parent, spouse, child, or other member of his

employer's immediate family, (C) if such employee (i) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) commutes daily from his permanent residence to the farm on which he is so employed, and (iii) has been employed in agriculture less than thirteen weeks during the preceding calendar year, (D) if such employee (other than an employee described in clause (C) of this subsection) (i) is sixteen years of age or under and is employed as a hand harvest laborer, is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) is employed on the same farm as his parent or person standing in the place of his parent, and (iii) is paid at the same piece rate as employees over age sixteen are paid on the same farm, or (E) if such employee is principally engaged in the range production of livestock; or".

Repeal.
75 Stat. 72.
29 USC 213.

(b) Section 13(a)(16) of such Act (agricultural employees employed in livestock auctions) is repealed.

(c) Section 13(b) of such Act is amended—

(A) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; or", and

(B) by adding at the end of paragraph (11) the following new paragraphs:

"(12) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, or operated on a sharecrop basis, and which are used exclusively for supply and storing of water for agricultural purposes; or

"(13) any employee with respect to his employment in agriculture by a farmer, notwithstanding other employment of such employee in connection with livestock auction operations in which such farmer is engaged as an adjunct to the raising of livestock, either on his own account or in conjunction with other farmers, if such employee (A) is primarily employed during his workweek in agriculture by such farmer, and (B) is paid for his employment in connection with such livestock auction operations at a wage rate not less than that prescribed by section 6(a)(1); or".

Post, p. 838.
63 Stat. 918.

(d) Section 13(c) of such Act is amended to read as follows:

"(c)(1) Except as provided in paragraph (2), the provisions of section 12 relating to child labor shall not apply with respect to any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed.

29 USC 212.

"(2) The provisions of section 12 relating to child labor shall apply to an employee below the age of sixteen employed in agriculture in an occupation that the Secretary of Labor finds and declares to be particularly hazardous for the employment of children below the age of sixteen, except where such employee is employed by his parent or by a person standing in the place of his parent on a farm owned or operated by such parent or person.

"(3) The provisions of section 12 relating to child labor shall not apply to any child employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions."

AGRICULTURAL PROCESSING EMPLOYEES

Repeals.

SEC. 204. (a) Sections 13 (a)(10) (employees engaged in handling and processing of agricultural, horticultural, and dairy prod-

ucts); 13(a)(17) (country elevator employees); 13(a)(18) (cotton ginning employees); and 13(a)(22) (fruit and vegetable transportation employees) of such Act are repealed.

(b) Section 13(b) of such Act is amended by adding after paragraph (13) (added by section 203(c) of this Act) the following new paragraphs:

"(14) any employee employed within the area of production (as defined by the Secretary) by an establishment commonly recognized as a country elevator, including such an establishment which sells products and services used in the operation of a farm, if no more than five employees are employed in the establishment in such operations; or

"(15) any employee engaged in ginning of cotton for market, in any place of employment located in a county where cotton is grown in commercial quantities, or in the processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap, into sugar (other than refined sugar) or syrup; or

"(16) any employee engaged (A) in the transportation and preparation for transportation of fruits or vegetables, whether or not performed by the farmer, from the farm to a place of first processing or first marketing within the same State, or (B) in transportation, whether or not performed by the farmer, between the farm and any point within the same State of persons employed or to be employed in the harvesting of fruits or vegetables; or".

(c) Subsection (c) of section 7 of such Act is amended to read as follows: 63 Stat. 913. 29 USC 207.

"(c) For a period or periods of not more than ten workweeks in the aggregate in any calendar year, or fourteen workweeks in the aggregate in the case of an employer who does not qualify for the exemption in subsection (d) of this section, any employer may employ any employee for a workweek in excess of that specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection if such employee (1) is employed by such employer in an industry found by the Secretary to be of a seasonal nature, and (2) receives compensation for employment by such employer in excess of ten hours in any workday, or for employment by such employer in excess of fifty hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed.

"(d) For a period or periods of not more than ten workweeks in the aggregate in any calendar year, or fourteen workweeks in the aggregate in the case of an employer who does not qualify for the exemption in subsection (c) of this section, any employer may employ any employee for a workweek in excess of that specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection, if such employee—

"(1) is employed by such employer in an enterprise which is in an industry found by the Secretary—

"(A) to be characterized by marked annually recurring seasonal peaks of operation at the places of first marketing or first processing of agricultural or horticultural commodities from farms if such industry is engaged in the handling, packing, preparing, storing, first processing, or canning of any perishable agricultural or horticultural commodities in their raw or natural state, or

"(B) to be of a seasonal nature and engaged in the handling, packing, storing, preparing, first processing, or canning of any perishable agricultural or horticultural commodities in their raw or natural state, and

"(2) receives compensation for employment by such employer in excess of ten hours in any workday, or for employment in excess of forty-eight hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed."

63 Stat. 913; 75 Stat. 70. 29 USC 207.

(d)(1) Subsections (d), (e), (f), (g), and (h) of section 7 of such Act are redesignated as subsections (e), (f), (g), (h), and (i), respectively.

(2) Subsections (g) and (h) of such section 7 (as so redesignated by paragraph (1) of this subsection) are each amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (e)".

SMALL NEWSPAPERS

75 Stat. 72. 29 USC 213.

SEC. 205. Section 13(a)(8) of such Act is amended by striking out "where printed and published" and inserting in lieu thereof "where published".

TRANSPORTATION COMPANIES

Repeals.

SEC. 206. (a) Section 13(a)(9) of such Act is repealed.

(b)(1) Section 13(a)(12) of such Act is repealed.

(2) Section 13(b) of such Act is amended by adding after paragraph (16) (added by section 204(b) of this Act) the following new paragraph:

"(17) any driver employed by an employer engaged in the business of operating taxicabs; or".

(c) Section 13(b)(7) of such Act is amended to read as follows:

"(7) any driver, operator, or conductor employed by an employer engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier, if the rates and services of such railway or carrier are subject to regulation by a State or local agency; or".

MOTION PICTURE THEATER EMPLOYEES

SEC. 207. Section 13(a) of such Act is amended by inserting after paragraph (8) the following new paragraph in lieu of the paragraph repealed by section 206(a) of this Act:

"(9) any employee employed by an establishment which is a motion picture theater; or".

LOGGING CREWS

Post, p. 838.

SEC. 208. Section 13(a)(15) of such Act is amended by striking out "twelve" and inserting in lieu thereof "eight".

AUTOMOBILE, AIRCRAFT, AND FARM IMPLEMENT SALES ESTABLISHMENTS

Repeal.

SEC. 209. (a) Section 13(a)(19) of such Act is repealed.

(b) Section 13(b) of such Act is amended by inserting after paragraph (9) the following new paragraph in lieu of the paragraph repealed by section 212(a) of this Act:

"(10) any salesman, partsman, or mechanic primarily engaged in selling or servicing automobiles, trailers, trucks, farm implements, or aircraft if employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles to ultimate purchasers; or".

FOOD SERVICE AND BOWLING ESTABLISHMENT EMPLOYEES

SEC. 210. (a) Section 13(a)(20) of such Act is repealed. Repeal. 75 Stat. 73.
(b) Section 13(b) of such Act is amended by adding after paragraph (17) (added by section 206(b)(2) of this Act) the following new paragraphs: 29 USC 213.

"(18) any employee of a retail or service establishment who is employed primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs; or

"(19) any employee of a bowling establishment if such employee receives compensation for employment in excess of forty-eight hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed."

GASOLINE SERVICE STATIONS

SEC. 211. Section 13(b)(8) of such Act is repealed. Repeal.

PETROLEUM DISTRIBUTION EMPLOYEES

SEC. 212. (a) Section 13(b)(10) of such Act is repealed. Repeal.
(b) Section 7(b)(3) of such Act is amended to read as follows: 63 Stat. 913. 29 USC 207.

"(3) by an independently owned and controlled local enterprise (including an enterprise with more than one bulk storage establishment) engaged in the wholesale or bulk distribution of petroleum products if—

"(A) the annual gross volume of sales of such enterprise is less than $1,000,000 exclusive of excise taxes,

"(B) more than 75 per centum of such enterprise's annual dollar volume of sales is made within the State in which such enterprise is located, and

"(C) not more than 25 per centum of the annual dollar volume of sales of such enterprise is to customers who are engaged in the bulk distribution of such products for resale,

and such employee receives compensation for employment in excess of forty hours in any workweek at a rate not less than one and one-half times the minimum wage rate applicable to him under section 6,". *Post*, p. 838.

ENIWETOK AND KWAJALEIN ATOLLS AND JOHNSTON ISLAND

SEC. 213. Section 13(f) of such Act is amended by striking out "and the Canal Zone" and inserting in lieu thereof "Eniwetok Atoll; Kwajalein Atoll; Johnston Island; and the Canal Zone". 71 Stat. 514. 29 USC 213.

ELEMENTARY AND SECONDARY SCHOOL TEACHERS AND SCHOOL ADMINISTRATIVE PERSONNEL

SEC. 214. Section 13(a)(1) of such Act is amended by inserting after "professional capacity" the following: "(including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools)". 75 Stat. 71.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 215. (a) Section 3(n) of such Act is amended by striking out ", except as used in subsection (s)(1),". 29 USC 203. *Ante*, p. 831.

75 Stat. 72.
29 USC 213.

(b) Section 13(a) of such Act is amended—

(1) by redesignating paragraphs (11), (13), (14), (15), and (21) as paragraphs (10), (11), (12), (13), and (14), respectively, and

(2) by striking out "; or" at the end of paragraph (14) (as so redesignated in this subsection) and inserting in lieu thereof a period.

(c) Paragraph (7) of section 13(a) of such Act is amended by striking out "or order" and inserting in lieu thereof ", order, or certificate".

TITLE III—INCREASE IN MINIMUM WAGE

PRESENTLY COVERED EMPLOYEES

52 Stat. 1062; 75 Stat. 67.
29 USC 206.

SEC. 301. (a) Section 6(a) of such Act is amended by amending that portion of the section preceding paragraph (2) to read as follows:

"(a) Every employer shall pay to each of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, wages at the following rates:

"(1) not less than $1.40 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1966 and not less than $1.60 an hour thereafter, except as otherwise provided in this section;".

(b) Such section is amended by striking out the period at the end of paragraph (3) and inserting a semicolon, and by adding the following new paragraph:

"(4) if such employee is employed as a seaman on an American vessel, not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement); or".

AGRICULTURAL EMPLOYEES

SEC. 302. Section 6(a) of such Act is amended by adding after paragraph (4) (added by section 301(b) of this Act) the following new paragraph:

"(5) if such employee is employed in agriculture, not less than $1 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1966, not less than $1.15 an hour during the second year from such date, and not less than $1.30 an hour thereafter."

NEWLY COVERED EMPLOYEES

SEC. 303. Section 6(b) of such Act is amended to read as follows:

"(b) Every employer shall pay to each of his employees (other than an employee to whom subsection (a)(5) applies) who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, and who in such workweek is brought within the purview of this section by the amendments made to this Act by

the Fair Labor Standards Amendments of 1966, wages at the following rates:

"(1) not less than $1 an hour during the first year from the effective date of such amendments,

"(2) not less than $1.15 an hour during the second year from such date,

"(3) not less than $1.30 an hour during the third year from such date,

"(4) not less than $1.45 an hour during the fourth year from such date, and

"(5) not less than $1.60 an hour thereafter."

EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 304. Section 6(c) of such Act is amended to read as follows: 75 Stat. 67. 29 USC 206.

"(c)(1) The rate or rates provided by subsections (a) and (b) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5. 63 Stat. 911. 29 USC 205.

Ante, p. 838.

"(2) In the case of any such employee who is covered by such a wage order and to whom the rate or rates prescribed by subsection (a) would otherwise apply, the following rates shall apply:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1966, increased by 12 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1966 or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) Beginning one year after the applicable effective date under paragraph (A), not less than the rate or rates prescribed by paragraph (A), increased by an amount equal to 16 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1966, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C).

"(C) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment of a review committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by paragraph (A) or (B). Any such application with respect to any rate or rates provided for under paragraph (A) shall be filed within sixty days following the enactment of the Fair Labor Standards Amendments of 1966 and any such application with respect to any rate or rates provided for under paragraph (B) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the applicable rate or rates under paragraph (B). The Secretary shall promptly consider such application and may appoint a

review committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (A) or (B) will substantially curtail employment in such industry. The Secretary's decision upon any such application shall be final. Any wage order issued pursuant to the recommendations of a review committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (A) or (B).

"(D) In the event a wage order has not been issued pursuant to the recommendation of a review committee prior to the applicable effective date under paragraph (A) or (B), the applicable percentage increase provided by any such paragraph shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application under paragraph (C) and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(3) In the case of any such employee to whom subsection (a)(5) or subsection (b) would otherwise apply, the Secretary shall within sixty days after the effective date of the Fair Labor Standards Amendments of 1966 appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates in accordance with the standards prescribed by section 8, but not in excess of the applicable rate provided by subsection (a)(5) or subsection (b), to be applicable to such employee in lieu of the rate or rates prescribed by subsection (a)(5) or subsection (b), as the case may be. The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1966.

Ante, p. 838.

"(4) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to review committees appointed under this subsection. The appointment of a review committee shall be in addition to and not in lieu of any special industry committee required to be appointed pursuant to the provisions of subsection (a) of section 8, except that no special industry committee shall hold any hearing within one year after a minimum wage rate or rates for such industry shall have been recommended to the Secretary by a review committee to be paid in lieu of the rate or rates provided for under paragraph (A) or (B). The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or subsection (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee."

63 Stat. 911, 915.
29 USC 205, 208.

CONTRACT SERVICES TO FEDERAL GOVERNMENT

SEC. 305. Section 6 of such Act is amended by adding at the end thereof the following new subsection: *Ante*, pp. 838-840.

"(e)(1) Notwithstanding the provisions of section 13 of this Act (except subsections (a)(1) and (f) thereof), every employer providing any contract services (other than linen supply services) under a contract with the United States or any subcontract thereunder shall pay to each of his employees whose rate of pay is not governed by the Service Contract Act of 1965 (41 U.S.C. 351–357) or to whom subsection (a)(1) of this section is not applicable, wages at rates not less than the rates provided for in subsection (b) of this section. 79 Stat. 1034. *Ante*, p. 838.

"(2) Notwithstanding the provisions of section 13 of this Act (except subsections (a)(1) and (f) thereof) and the provisions of the Service Contract Act of 1965, every employer in an establishment providing linen supply services to the United States under a contract with the United States or any subcontract thereunder shall pay to each of his employees in such establishment wages at rates not less than those prescribed in subsection (b), except that if more than 50 per centum of the gross annual dollar volume of sales made or business done by such establishment is derived from providing such linen supply services under any such contracts or subcontracts, such employer shall pay to each of his employees in such establishment wages at rates not less than those prescribed in subsection (a)(1) of this section." *Ante*, pp. 833, 838.

FEDERAL EMPLOYEES

SEC. 306. Section 18 of such Act is amended by inserting "(a)" immediately after "SEC. 18." and by adding at the end thereof the following new subsection: 52 Stat. 1069. 29 USC 218.

"(b) Notwithstanding any other provision of this Act (other than section 13(f)) or any other law, any employee— *Ante*, p. 837.

"(1) described in paragraph (7) of section 202 of the Classification Act of 1949 (5 U.S.C. 1082(7)) whose compensation is required to be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates, and any Federal employee in the Canal Zone engaged in employment of the kind described in such paragraph (7), or 68 Stat. 1106.

"(2) described in section 7474 of title 10, United States Code, whose rates of wages are established to conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity, or 70A Stat. 463.

"(3) employed in a nonappropriated fund instrumentality under the jurisdiction of the Armed Forces,

shall have his basic compensation fixed or adjusted at a wage rate which is not less than the appropriate wage rate provided for in section 6(a)(1) of this Act (except that the wage rate provided for in section 6(b) shall apply to any employee who performed services during the workweek in a work place within the Canal Zone), and shall have his overtime compensation set at an hourly rate not less than the overtime rate provided for in section 7(a)(1) of this Act." *Infra*.

TITLE IV—APPLICATION OF MAXIMUM HOURS PROVISIONS

PRESENTLY AND NEWLY COVERED EMPLOYEES

SEC. 401. Section 7(a) of such Act is amended to read as follows: 63 Stat. 912; 75 Stat. 69. 29 USC 207.

"(a)(1) Except as otherwise provided in this section, no employer shall employ any of his employees who in any workweek is engaged in

commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, for a workweek longer than forty hours unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

"(2) No employer shall employ any of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, and who in such workweek is brought within the purview of this subsection by the amendments made to this Act by the Fair Labor Standards Amendments of 1966—

"(A) for a workweek longer than forty-four hours during the first year from the effective date of the Fair Labor Standards Amendments of 1966,

"(B) for a workweek longer than forty-two hours during the second year from such date, or

"(C) for a workweek longer than forty hours after the expiration of the second year from such date,

unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed."

COMMISSION SALESMAN

SEC. 402. Subsection (i) of section 7 of such Act (as so redesignated by section 204(d) of this Act) is amended by adding at the end thereof the following new sentence: "In determining the proportion of compensation representing commissions, all earnings resulting from the application of a bona fide commission rate shall be deemed commissions on goods or services without regard to whether the computed commissions exceed the draw or guarantee."

HOSPITAL EMPLOYEES

SEC. 403. Section 7 of such Act is amended by adding after subsection (i) of such section (as so redesignated by section 204(d)(1) of this Act) the following new subsection:

"(j) No employer engaged in the operation of a hospital shall be deemed to have violated subsection (a) if, pursuant to an agreement or understanding arrived at between the employer and the employee before performance of the work, a work period of fourteen consecutive days is accepted in lieu of the workweek of seven consecutive days for purposes of overtime computation and if, for his employment in excess of eight hours in any workday and in excess of eighty hours in such fourteen-day period, the employee receives compensation at a rate not less than one and one-half times the regular rate at which he is employed."

TITLE V—STUDENTS AND HANDICAPPED WORKERS

STUDENTS AND HANDICAPPED WORKERS

52 Stat. 1068.
29 USC 214.

SEC. 501. Section 14 of such Act is amended to read as follows:

"LEARNERS, APPRENTICES, STUDENTS, AND HANDICAPPED WORKERS

"SEC. 14. (a) The Secretary of Labor, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for the employment of learners, of apprentices, and of messengers employed primarily in delivering

letters and messages, under special certificates issued pursuant to regulations of the Secretary, at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Secretary shall prescribe.

Ante, pp. 838, 841.

"(b) The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulation or order provide for the employment of full-time students, regardless of age but in compliance with applicable child labor laws, on a part-time basis in retail or service establishments (not to exceed twenty hours in any workweek) or on a part-time or a full-time basis in such establishments during school vacations, under special certificates issued pursuant to regulations of the Secretary, at a wage rate not less than 85 per centum of the minimum wage applicable under section 6, except that the proportion of student hours of employment to total hours of employment of all employees in any establishment may not exceed (1) such proportion for the corresponding month of the twelve-month period preceding May 1, 1961, (2) in the case of a retail or service establishment whose employees (other than employees engaged in commerce or in the production of goods for commerce) are covered by this Act for the first time on or after the effective date of the Fair Labor Standards Amendments of 1966, such proportion for the corresponding month of the twelve-month period immediately prior to such date, or (3) in the case of a retail or service establishment coming into existence after May 1, 1961, or a retail or service establishment for which records of student hours worked are not available, a proportion of student hours of employment to total hours of employment of all employees based on the practice during the twelve-month period preceding May 1, 1961, in (A) similar establishments of the same employer in the same general metropolitan area in which the new establishment is located, (B) similar establishments of the same employer in the same or nearby counties if the new establishment is not in a metropolitan area, or (C) other establishments of the same general character operating in the community or the nearest comparable community. Before the Secretary may issue a certificate under this subsection he must find that such employment will not create a substantial probability of reducing the full-time employment opportunities of persons other than those employed under this subsection.

"(c) The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by certificate or order provide for the employment of full-time students, regardless of age but in compliance with applicable child labor laws, on a part-time basis in agriculture (not to exceed twenty hours in any workweek) or on a part-time or a full-time basis in agriculture during school vacations, at a wage rate not less than 85 per centum of the minimum wage applicable under section 6. Before the Secretary may issue a certificate or order under this subsection he must find that such employment will not create a substantial probability of reducing the full-time employment opportunities of persons other than those employed under this subsection.

"(d) (1) Except as otherwise provided in paragraphs (2) and (3) of this subsection, the Secretary of Labor, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulation or order provide for the employment under special certificates of individuals (including individuals employed in agriculture) whose earning or productive capacity is impaired by age or physical or mental deficiency or injury, at wages which are lower than the minimum wage applicable under section 6 of this Act but not less

than 50 per centum of such wage and which are commensurate with those paid nonhandicapped workers in industry in the vicinity for essentially the same type, quality, and quantity of work.

"(2) The Secretary, pursuant to such regulations as he shall prescribe and upon certification of the State agency administering or supervising the administration of vocational rehabilitation services, may issue special certificates for the employment of—

"(A) handicapped workers engaged in work which is incidental to training or evaluation programs, and

"(B) multihandicapped individuals and other individuals whose earning capacity is so severely impaired that they are unable to engage in competitive employment,

at wages which are less than those required by this subsection and which are related to the worker's productivity.

"(3)(A) The Secretary may by regulation or order provide for the employment of handicapped clients in work activities centers under special certificates at wages which are less than the minimums applicable under section 6 of this Act or prescribed by paragraph (1) of this subsection and which constitute equitable compensation for such clients in work activities centers.

Ante, pp. 838, 841.

"Work activities centers."

"(B) For purposes of this section, the term 'work activities centers' shall mean centers planned and designed exclusively to provide therapeutic activities for handicapped clients whose physical or mental impairment is so severe as to make their productive capacity inconsequential."

TITLE VI—MISCELLANEOUS

STATUTE OF LIMITATIONS

63 Stat. 919. 29 USC 216.

SEC. 601. (a) Section 16(c) of such Act is amended by striking out "two-year statute" and by inserting in lieu thereof "statutes".

61 Stat. 87. 29 USC 255.

(b) Section 6(a) of the Portal-to-Portal Act of 1947 (Public Law 49, Eightieth Congress) is amended by inserting before the semicolon at the end thereof the following: ", except that a cause of action arising out of a willful violation may be commenced within three years after the cause of action accrued".

EFFECTIVE DATE

SEC. 602. Except as otherwise provided in this Act, the amendments made by this Act shall take effect on February 1, 1967. On and after the date of the enactment of this Act the Secretary is authorized to promulgate necessary rules, regulations, or orders with regard to the amendments made by this Act.

STUDY OF EXCESSIVE OVERTIME

SEC. 603. The Secretary of Labor is hereby instructed to commence immediately a complete study of present practices dealing with overtime payments for work in excess of forty hours per week and the extent to which such overtime work impedes the creation of new job opportunities in American industry. The Secretary is further instructed to report to the Congress by July 1, 1967, the findings of such survey with appropriate recommendations.

Report to Congress.

CANAL ZONE EMPLOYEES AND PANAMA CANAL STUDY

SEC. 604. The Secretary of Labor, in cooperation with the Secretary of Defense and the Secretary of State, shall (1) undertake a study

with respect to (A) wage rates payable to Federal employees in the Canal Zone engaged in employment of the kind described in paragraph (7) of section 202 of the Classification Act of 1949 (5 U.S.C. 1082(7)) and (B) the requirements of an effective and economical operation of the Panama Canal, and (2) report to the Congress not later than July 1, 1968, the results of his study together with such recommendations as he may deem appropriate.

68 Stat. 1106.

Report to Congress.

STUDY OF WAGES PAID HANDICAPPED CLIENTS IN SHELTERED WORKSHOPS

SEC. 605. The Secretary of Labor is hereby instructed to commence immediately a complete study of wage payments to handicapped clients of sheltered workshops and of the feasibility of raising existing wage standards in such workshops. The Secretary is further instructed to report to the Congress by July 1, 1967, the findings of such study with appropriate recommendations.

Report to Congress.

PREVENTION OF DISCRIMINATION BECAUSE OF AGE

SEC. 606. The Secretary of Labor is hereby directed to submit to the Congress not later than January 1, 1967 his specific legislative recommendations for implementing the conclusions and recommendations contained in his report on age discrimination in employment made pursuant to section 715 of Public Law 88–352. Such legislative recommendations shall include, without limitation, provisions specifying appropriate enforcement procedures, a particular administering agency, and the standards, coverage, and exemptions, if any, to be included in the proposed enactment.

Recommendations to Congress.

78 Stat. 265. 42 USC 2000e-14.

Approved September 23, 1966.

Public Law 89-602

AN ACT

September 24, 1966 [S. 3625]

To designate the dam being constructed on the Allegheny River, Pennsylvania, as the "Kinzua Dam", and the lake to be formed by such dam in Pennsylvania and New York as the "Allegheny Reservoir".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dam being constructed by the Corps of Engineers, United States Army, on the Allegheny River in Warren County, Pennsylvania, authorized by the Flood Control Act of June 22, 1936 (Public Law 74–738), shall be known and designated hereafter as the "Kinzua Dam", and the lake formed by such dam in Warren and McKean Counties, Pennsylvania, and Cattaraugus County, New York, shall be known and designated as "Allegheny Reservoir".

Kinzua Dam. Allegheny Reservoir. Designation.

49 Stat. 1570.

SEC. 2. Any law, regulation, document, or record of the United States in which such dam and reservoir are designated or referred to shall be held to refer to such dam and reservoir under and by the names of "Kinzua Dam", and "Allegheny Reservoir".

Approved September 24, 1966.