

## Wage and Hour Division, Labor

## § 783.18

chapter, dealing with the general coverage of the Act. Section 3(j) provides that “produced” as used in the Act “means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.” (For the definition of “State” see § 783.15.)

### § 783.14 “Goods”.

The definition in section 3(i) of the Act states that “goods”, as used in the Act means “goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.” Part 776 of this chapter, dealing with the general coverage of the Act, contains a detailed discussion of the application of this definition and what is included in it.

### § 783.15 “State”.

As used in the Act, “State” means “any State of the United States or the District of Columbia or any Territory or possession of the United States” (Act, section 3(c)). The application of this definition in determining questions of coverage under the Acts’ definition of “commerce” and “produced” (see §§ 783.12, 783.13) is discussed in part 776 of this chapter, dealing with general coverage.

### § 783.16 “Wage”.

“Wage” paid to an employee is defined in section 3(m) of the Act to include “the reasonable cost, as determined by the Secretary of Labor, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by

such employer to his employees: *Provided*, That the cost of board, lodging, or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective bargaining agreement applicable to the particular employee: *Provided further*, That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measure of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee”. Although there is some incidental discussion in this part of this definition and its impact, a fuller discussion of its meaning and the regulations pertaining thereto are set forth in part 531 of this chapter.

### § 783.17 “American vessel”.

Section 3(p) of the Act, added by the 1961 Amendments, defines “American vessel” to include “any vessel which is documented or numbered under the laws of the United States.” This definition and its effect with respect to the application of the Act to employment of individuals as seamen are discussed in subsequent sections of this part.

## APPLICATION IN GENERAL OF THE ACT’S PROVISIONS

### § 783.18 Commerce activities of employees.

Prior to the 1961 Amendments, the Fair Labor Standards Act applied to all employees, not specifically exempted, who are engaged (a) in interstate or foreign commerce or (b) in the production of goods for such commerce, which is defined to include any closely related process or occupation directly, essential to such production (29 U.S.C. 206(a), 207(a); and see §§ 783.12 to 783.15 for definitions governing the scope of this coverage). The Act as amended in 1961 continues this coverage. In general, employees of businesses concerned with the transportation of