

(1) and (2) of the Act, which are considered to have been willful or of such nature as to cast doubt on the reliability of formal assurances subsequently given and there shall be maintained a similar list where adjustment of the violations satisfactory to the Secretary was not properly made. Assurances from persons or organizations placed on either such list or any organization in which they have a substantial interest shall be considered inadequate for purposes of receiving further grants for a period not to exceed three (3) years from the date of notification by the Secretary that they have been placed on the lists unless, by appropriate application to the Secretary, they demonstrate a current responsibility to comply with section 5(i) (1) and (2) and section 7(g) (1) and (2) of the Act, and demonstrate that correction of the violations has been made.

PART 506—ATTESTATIONS BY EMPLOYERS USING ALIEN CREWMEMBERS FOR LONGSHORE ACTIVITIES IN U.S. PORTS

AUTHORITY: 8 U.S.C. 1288 (c) and (d).

SOURCE: 61 FR 51014, Sept. 30, 1996, unless otherwise noted.

§ 506.1 Cross-reference.

Regulations governing attestations by employers using alien crewmembers for longshore activities in U.S. ports are found at 20 CFR part 655, subparts F and G.

PART 507—LABOR CONDITION APPLICATIONS AND REQUIREMENTS FOR EMPLOYERS USING NON-IMMIGRANTS ON H-1B SPECIALTY VISAS IN SPECIALTY OCCUPATIONS AND AS FASHION MODELS

AUTHORITY: 8 U.S.C. 1101(a)(15)(H)(i)(b), 1182(n), and 1184; 29 U.S.C. 49 *et seq.*; Pub. L. 102-232, 105 Stat. 1733, 1748 (8 U.S.C. 1182 note); and sec. 341 (a) and (b), Pub. L. 103-182, 107 Stat. 2057.

SOURCE: 61 FR 51014, Sept. 30, 1996, unless otherwise noted.

§ 507.1 Cross-reference.

Regulations governing labor condition applications requirements for employers using nonimmigrants on H-1B specialty visas in specialty occupations and as fashion models are found at 20 CFR part 655, subparts H and I.

PART 508—ATTESTATIONS FILED BY EMPLOYERS UTILIZING F-1 STUDENTS FOR OFF-CAMPUS WORK

AUTHORITY: 29 U.S.C. 49 *et seq.*; and sec. 221(a), Pub. L. 101-649, 104 Stat. 4978, 5027 (8 U.S.C. 1184 note).

SOURCE: 61 FR 51014, Sept. 30, 1996, unless otherwise noted.

§ 508.1 Cross-reference.

Regulations governing attestations by employers using F-1 students in off-campus work are found at 20 CFR part 655, subparts J and K.

PART 510—IMPLEMENTATION OF THE MINIMUM WAGE PROVISIONS OF THE 1989 AMENDMENTS TO THE FAIR LABOR STANDARDS ACT IN PUERTO RICO

Subpart A—General

- Sec.
- 510.1 Summary.
- 510.2 Purpose and scope of regulations.
- 510.3 Definitions.

Subpart B—Schedule of Minimum Wage Rates Applicable in Puerto Rico

- 510.10 Table of Wage Rates and Effective dates.

Subpart C—Classification of Industries

- 510.20 Wage surveys in Puerto Rico.
- 510.21 SIC codes.
- 510.22 Industries eligible for minimum wage phase-in.
- 510.23 Agricultural activities eligible for minimum wage phase-in.
- 510.24 Governmental entities eligible for minimum wage phase-in.
- 510.25 Traditional functions of government.

APPENDIX A TO PART 510—MANUFACTURING INDUSTRIES ELIGIBLE FOR MINIMUM WAGE PHASE-IN

APPENDIX B TO PART 510—NONMANUFACTURING INDUSTRIES ELIGIBLE FOR MINIMUM WAGE PHASE-IN

§ 510.1

APPENDIX C TO PART 510—GOVERNMENT CORPORATIONS ELIGIBLE FOR MINIMUM WAGE PHASE-IN

APPENDIX D TO PART 510—MUNICIPALITIES ELIGIBLE FOR MINIMUM WAGE PHASE-IN

AUTHORITY: Sec. 4, Pub. L. 101-157, 103 Stat. 938; 29 U.S.C. 201 *et seq.*

SOURCE: 55 FR 12120, Mar. 30, 1990, unless otherwise noted.

Subpart A—General

§ 510.1 Summary.

(a) The Fair Labor Standards Amendments of 1989 (Pub. L. 101-157) were enacted into law on November 17, 1989. Among other provisions, these amendments to the Fair Labor Standards Act (FLSA) increased the minimum wage in section 6(a)(1) of the Act to \$3.80 an hour effective April 1, 1990, and to \$4.25 an hour effective April 1, 1991. With respect to certain industries and governmental entities in the Commonwealth of Puerto Rico, the Amendments provided that these increases would be phased in over extended periods of time.

(b) Section 6(c) of the FLSA provides for four separate categories or tiers for implementing the minimum wage rate increases in Puerto Rico.

(1) For Tier 1, which includes employees of the United States, employees of hotels, motels, or restaurants, retail or service establishments that employ such employees primarily in connection with the preparation or offering of food or beverages for human consumption, and industries in which the average hourly wage is greater than \$4.64, there shall be no phase-in. The wage rates and effective dates shall be those specified in section 6(a)(1) of FLSA, i.e., \$3.80 per hour beginning April 1, 1990 and \$4.25 per hour beginning April 1, 1991.

(2) For Tier 2, which includes industries in which the average hourly wage is not less than \$4.00 but not more than \$4.64, the increases in the minimum wage rates shall be phased-in in five annual increments (rounded to the nearest 5 cents) beginning April 1, 1990, and ending April 1, 1994.

(3) For Tier 3, which includes industries in which the average hourly wage is less than \$4.00, the increases in the minimum wage shall be phased-in in

29 CFR Ch. V (7-1-06 Edition)

six annual increments (rounded to the nearest 5 cents) beginning April 1, 1990, and ending April 1, 1995.

(4) For Tier 4, which includes certain employees of the Commonwealth of Puerto Rico, municipalities, and other governmental entities of the Commonwealth in which the average hourly wage is less than \$4.00, the increases shall be phased-in in seven annual increments (rounded to the nearest 5 cents) beginning April 1, 1990 and ending April 1, 1996.

(c) The Amendments also eliminated reference to Puerto Rico in those sections of FLSA relating to the establishment and conduct of special industry committees which recommend minimum wage rates in certain territories. These sections now apply only to American Samoa. (Industry committee regulations pertaining to American Samoa are found in 29 CFR parts 511 and 697).

§ 510.2 Purpose and scope of regulations.

(a) The purpose of these regulations is to implement the 1989 Amendments to the FLSA with respect to minimum wage increases in Puerto Rico. These regulations establish the applicable wage rates and effective dates in the four statutory tiers and categorize industries and governmental entities in Puerto Rico in those tiers according to average hourly wage rates. In addition, these regulations explain the methodology used to determine appropriate tiers, including the use of standard industrial classification (SIC) codes to categorize industries.

(b) Subpart A of this part summarizes the provisions of the Amendments as applicable to Puerto Rico and defines the terms used herein. Subpart B of this part states the specific minimum wage rates for each tier and the effective dates of those rates. Subpart C of this part explains how industry and governmental categories were determined, the general methodology used to conduct the surveys which provided the data used to determine average hourly wage rates, and special issues in the classification of governmental entities. Appendix A of this