

§ 779.237 Enterprise engaged in commerce or in the production of goods for commerce.

Under section 3(s) the “enterprise” to be covered must be an “enterprise engaged in commerce or in the production of goods for commerce.” This is defined in section 3(s) as follows:

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 * * *.

In order for an enterprise to come within the coverage of the Act, it must, therefore, be established that the enterprise has some employees who are:

(a) Engaged in commerce or in the production of goods for commerce, including

(b) Employees handling, selling or otherwise working on goods that have been moved in or produced for commerce by any person.

The legislative history of the 1966 amendments does not indicate a difference between the meaning of the above wording and the wording used in the prior Act. (See § 779.22.) For a complete discussion of the employees who come within the quoted language see subpart B of the Interpretative Bulletin on general coverage, part 776 of this chapter.

§ 779.238 Engagement in described activities determined on annual basis.

As set forth in the preceding section an enterprise to be a “covered enterprise” must have at least some employees engaged in certain described activities. This requirement will be determined on an annual basis in order to give full effect to the intent of Congress. Thus, it is not necessary that the enterprise have two or more employees engaged in the named activities every week. An enterprise described in section 3(s)(1) or (5) of the prior Act or in section 3(s)(1) of the Act as it was amended in 1966 will be considered to have employees engaged in commerce or in the production of goods for commerce, including the handling, selling

or otherwise working on goods that have been moved in or produced for commerce by any person, if during the annual period which it uses in calculating its annual sales for purposes of the other conditions of these sections, it regularly and recurrently has at least two or more employees engaged in such activities. On the other hand, it is plain that an enterprise that has employees engaged in such activities only in isolated or sporadic occasions, will not meet this condition.

§ 779.239 Meaning of “engaged in commerce or in the production of goods for commerce.”

The term “engaged in commerce or in the production of goods for commerce,” as used in section 3(s) of the Act in reference to employees who are so engaged is the same as the term which has been used in the Act for many years. The statutory definitions of these terms are set forth in §§ 779.12 through 779.16. The interpretative bulletin on general coverage part 776 of this chapter) contains the Division’s interpretations as to which employees are “engaged in commerce or in the production of goods for commerce.” These interpretations are equally applicable under section 3(s) in determining which employees are “engaged in commerce or in the production of goods for commerce” within the meaning of this section. A brief discussion of the guiding principles of retail or service establishments are “engaged in commerce or in the production of goods for commerce” is set forth in subpart B of this part.

EMPLOYEES HANDLING, SELLING, OR OTHERWISE WORKING ON GOODS THAT HAVE BEEN MOVED IN OR PRODUCED FOR COMMERCE BY ANY PERSON

§ 779.240 Employees “handling * * * or otherwise working on goods.”

(a) “Goods” upon which the described activities are performed. Employees will be considered to be handling, selling, or otherwise working on goods within the meaning of section 3(s) if they engage in the described activities on “goods” which “have been moved in or produced for commerce by any person.” They may be handling or working on such goods which the enterprise does not

sell. The term "goods" is defined in section 3(i) of the Act. The definition is explained in § 779.107 and discussed comprehensively in part 776 of this chapter. As defined in section 3(i) of the Act, the term includes any part or ingredient of "goods" and, in general, includes "articles or subjects of commerce of any character." Thus the term "goods," as used in section 3(s), includes all goods which have been moved in or produced for commerce, such as stock-in-trade, or raw materials that have been moved in or produced for commerce.

(b) *"Handling * * * or otherwise working on goods."* The term "handling * * * or otherwise working on goods" used in section 3(s) is substantially the same as the term used since 1938 in section 3(j) of the Act. Both terms will therefore be considered to have essentially the same meaning. (See part 776 of this chapter, the interpretative bulletin on the general coverage of the Act.) Thus, the activities encompassed in the term "handling or in any other manner working on goods" in section 3(s) are the same as the activities, encompassed in the similar term in section 3(j), by which goods are "produced" within the meaning of the Act. In general, the term "handling * * * or otherwise working on goods" includes employees who sort, screen, grade, store, pack, label, address, transport, deliver, print, type, or otherwise handle or work on the goods. The same will be true of employees who handle or work on "any part of ingredient of the goods" referred to in the discussion of the term "goods" in § 779.107. An employee will be considered engaged in "handling * * * or otherwise working on goods," within the meaning of section 3(s), only if he performs the described activities on goods that "have been moved in or produced for commerce by any person." This requirement is discussed in §§ 779.242 and 779.243.

§ 779.241 Selling.

The statutory definition of the term "sale" or "sell" is quoted in § 779.15. As long as the employee in any way participates in the sale of the goods he will be considered to be "selling" the goods, whether he physically handles

them or not. Thus, if the employee performs any work that, in a practical sense is an essential part of consummating the "sale" of the particular goods, he will be considered to be "selling" the goods. "Selling" goods, under section 3(s) has reference only to goods which "have been moved in or produced for commerce by any person," as discussed in §§ 779.242 and 779.243.

§ 779.242 Goods that "have been moved in" commerce.

For the purpose of section 3(s), goods will be considered to "have been moved * * * in commerce" when they have moved across State lines before they are handled, sold, or otherwise worked on by the employees. It is immaterial in such a case that the goods may have "come to rest" within the meaning of the term "in commerce" as interpreted in other respects, before they are handled, sold, or otherwise worked on by the employees in the enterprise. Such movement in commerce may take place before they have reached the enterprise, or within the enterprise, such as from a warehouse of the enterprise in one State to a retail store of the same enterprise located in another State. Thus, employees will be considered to be "handling, selling, or otherwise working on goods that have been moved in * * * commerce" where they are engaged in the described activities on "goods" that have moved across State lines at any time in the course of business, such as from the manufacturer to the distributor, or to the "enterprise," or from one establishment to another within the "enterprise." See the general discussion in part 776 of this chapter.

§ 779.243 Goods that have been "produced for commerce by any person."

An employee will be considered to be handling, selling, or otherwise working on goods that have been "produced for commerce by any person" within the meaning of section 3(s), if he is performing the described activities with respect to goods which have been "produced for commerce" within the meaning of the Act. The term "produced" is defined in section 3(j) of the Act and, as explained above, has a well-established