

(1) A provision specifying the minimum wages to be paid service employees performing the contract as established by the Secretary in accordance with prevailing rates for such employees in the locality.

(2) A provision specifying the fringe benefits to be furnished such employees as determined by the Secretary as prevailing for such employees in the locality.

(3) A provision that no part of such contract will be performed Act of 1938.

Section 3 provides that a violation of section 2 by failure to pay the prevailing wage or fringe benefit or the Federal minimum wage under the Fair Labor Standards Act shall render the contractor liable for a sum equal to the amount of any such underpayment and provides that the contracting agency may withhold payment to the contractor in the amount necessary to pay such employees the amounts due them. In addition, the United States is authorized to cancel contracts performed in violation of the provisions of the act.

Section 4 establishes the authority to the Secretary of Labor to enforce the act, including the promulgation of such rules and regulations, orders, et cetera, which may be necessary to do so.

Section 5 provides that the Comptroller General shall distribute to all Federal agencies a list of those contractors found to have violated the act and prohibits the awarding of further contracts to violators for a period of 3 years after such publication unless the Secretary of Labor otherwise recommends.

If the accrued payments withheld under the contract are insufficient to reimburse employees with respect to whom there has been a failure to pay the compensation required under this act, the United

HEARING
BEFORE THE
SUBCOMMITTEE ON LABOR
OF THE
COMMITTEE ON