

A federal statute extends federal minimum wage requirements to all dry cleaning stores. The statute contains express findings that, when combined, the wages received by dry cleaning workers have a substantial impact on the national economy and on the flow of goods and services in interstate commerce. These findings are supported by information presented to Congress during committee hearings on the legislation.

A small dry cleaning store operates exclusively within a community in the center of a geographically large state. It has no customers from outside the state. It employs three workers, each of whom is paid less than the federal minimum wage.

Must this dry cleaning store comply with the statute imposing the federal minimum wage requirements on all dry cleaning stores?

- A. No, because the store does no business in interstate commerce.
- B. No, because the wages of the store's three workers do not have a substantial impact on interstate commerce.
- C. Yes, because the commerce clause vests Congress with plenary legislative authority over labor relations.
- D. Yes, because the wages paid by dry cleaning stores have a substantial impact on interstate commerce.

## Explanation:

The Article I **commerce clause** gives Congress broad power to regulate **interstate commerce**—ie, nearly all activities involving two or more states. This includes the power to regulate the following:

- **channels** of interstate commerce (eg, highways, waterways)
- **instrumentalities** of interstate commerce (eg, trucks, trains)
- **persons or things** moving in interstate commerce (eg, goods, electricity) *and*
- **in-state activities** that—singly or in the aggregate—**substantially impact** interstate commerce.

Here, the federal statute requires all dry cleaning stores to pay their employees a minimum wage. This includes the small dry cleaning store that employs three low-wage workers, whose wages alone do not have a substantial impact on interstate commerce. But when the wages paid by all dry cleaning stores are added together (ie, aggregated), they *do* have a substantial impact on interstate commerce (**Choice B**). Therefore, Congress can regulate these wages under the commerce clause, and the store must comply with the minimum wage requirement.

**(Choice A)** Although the store does no business in interstate commerce, Congress can regulate the store's wages since the aggregate wages paid by all dry cleaning stores have a substantial impact on interstate commerce.

**(Choice C)** The commerce clause does *not* vest Congress with plenary (ie, absolute) legislative authority over labor relations. Congress can only regulate labor relations that substantially affect interstate commerce, and states can also regulate labor relations so long as they comply with the [dormant commerce clause](#).

## Educational objective:

The commerce clause gives Congress broad authority to regulate interstate commerce—including in-state activities that substantially impact interstate commerce singly or in the aggregate.

## References

- *Gonzales v. Raich*, 545 U.S. 1, 17 (2005) (holding that Congress can regulate purely local activities that are part of an economic class of activities that have a substantial effect on interstate commerce).
- *NLRB v. Jones & Laughlin Steel Corp.*, 301 U.S. 1, 36–37 (1937) (recognizing that Congress's commerce powers extend to activities that impact interstate commerce independently or in combination with other sources).

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## Commerce clause challenge

