

# Consultants Update

## *COVID-19*

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# Discussion Topics

- New Driver Hours of Service Rule from DOT
- SBA Guidance on Applying for Forgiveness of Paycheck Protection Program Loans

# Driver Hours of Service

- New final rule from DOT; will be published in Federal Register in next few days
- Becomes effective 120 days after publication
- Provides additional flexibility for drivers and their employers
- Makes revisions to HOS rules in four areas

# HOS Rules Changes

- Will revise the 30-minute break rule by requiring a break after 8 hours of consecutive driving rather than 8 hours on duty and allowing the break to be satisfied by a driver using on-duty, not driving status, rather than off-duty status
- Will modify the sleeper-berth exception to allow drivers to split their required 10 hours off duty into two periods: an 8/2 split and a 7/3 split—with neither period counting against the driver's 14-hour driving window

# HOS Changes

- Will modify the adverse driving conditions exception by extending by 2 hours the maximum window during which driving is permitted
- Will change the short-haul exception available to commercial drivers by lengthening the drivers' maximum on-duty period from 12 to 14 hours and extending the distance limit within which the driver may operate from 100 air miles to 150 air miles; these drivers are exempt from the requirements for driver logs and Electronic Logging Devices and the 30-minute break requirement

# SBA Loan Forgiveness Rules

- On May 15, Small Business Administration released its Loan Forgiveness Application and instructions
- Must complete and submit the application to your lender for loan forgiveness
- You have 8 weeks from when the loan hits your bank account to use the funds for the specified purposes in order to qualify for loan forgiveness
- After the 8-week period, you must fill out the loan forgiveness application and send it to your lender to request your loan forgiveness
- Your lender will review what you have submitted and will let you know how much of the loan will be forgiven within 60 days of receipt of your loan forgiveness application

# Loan Forgiveness Form

- Includes information about the lender and borrower
- Has a worksheet on calculating the payroll amounts, federal employer taxes and benefits that were paid during the 8-week period and may be forgiven
- Also includes worksheet on forgivable expense items: rent, utilities, and mortgage interest
- Expenses may be forgiven if they do not exceed 25% of the total loan amount

# Cylinder Rent Expenses

- Rent expenses are forgivable (up to 25% of the total loan amount may include non-payroll expenses)
- But SBA had never clarified what “rent” expenses might be included
- Loan Forgiveness Application states, on line 3: “Enter the amount of business rent or lease payments for real or personal property during the Covered Period, pursuant to lease agreements in force before February 15, 2020”



# Cylinder Rent

- Rent on personal property is clearly included—this means cylinder rent paid may be included as a forgivable expense
- But to be forgivable, the cylinder rent must have been paid under a rental or lease agreement that was in effect before February 15, 2020

# Contact Info

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