

they have done, to not adhere to those plans, and it hurts the overall small business community.

Currently, prime contractors have very little economic incentive to do the right things, to abide by their subcontracting plans, and these are the plans that they, themselves have negotiated. So when prime contractors disregard these pre-negotiated terms, the only recourse that we have is to make sure that we find a way to involve ourselves before they are left with their only alternative, which is to file a lawsuit.

Given the nature of the courts, any small business relief that may come to them could prove to be too little, too late.

Madam Speaker, again, I thank the gentleman from Minnesota. This bill creates an economic incentive for prime contractors to follow their subcontracting plans by requiring any agency of the government to assess those plans and to offer advice and an opinion on whether or not they have complied.

The SPEAKER PRO TEMPORE. The time of the gentleman has expired.

Ms. VELÁZQUEZ. Madam Speaker, I yield an additional 30 seconds to the gentleman from Maryland.

Mr. MFUME. Madam Speaker, by amending the language of the Small Business Act, by expanding its scope, this legislation will give contractors that treat small businesses the right and the fair way, a greater chance at winning Federal contractors. And it will hopefully incentivize those contractors that are not, to finally do the right thing.

Madam Speaker, I respectfully ask that my colleagues vote in support of H.R. 7694, the Strengthening Subcontracting for Small Businesses Act of 2022.

Mr. WILLIAMS of Texas. Madam Speaker, I yield myself such time as I may consume to close.

Madam Speaker, as contract consolidation continues to build momentum, opportunities will continue to falter. Overall, this trendline is heading in the wrong direction. As a result, the emphasis and importance will be placed on subcontracting.

H.R. 7694 takes an important step by requiring that past performance is taken into account on all future contracts. Congress will need to continue to study this issue carefully, and H.R. 7694 will assist us along the way.

Madam Speaker, I urge my colleagues to support this legislation, and I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, I would just say thank you to both gentlemen, Mr. STAUBER and Mr. MFUME, for their hard work, and I urge my colleagues to support this bill.

Madam Speaker, I yield back the balance of my time.

Ms. JACKSON LEE. Madam Speaker, I rise in strong support of H.R. 7694, the "Strengthening Subcontracting for Small Businesses Act of 2022."

This legislation would amend the Small Business Act to ensure that companies awarded government contracts utilize small businesses in their subcontracting plans.

H.R. 7694 would ensure that small businesses are not excluded from the government contracting process, which is an important concern in Congress.

With more than 65 percent of small businesses having experienced at least a moderately negative impact from the COVID-19 pandemic according to Statista Research, it is more vital than ever that we continue to strengthen small business.

This legislation will provide that urgently needed support.

As small businesses account for 44 percent of U.S. economic activity, they are the powerhouse behind the American workforce, creating two-thirds of the new jobs over the last 15 years.

Small business is vital in times of crisis, giving our economy the ability to be more flexible, innovative, and productive.

In my home district in Houston, there are over 600,000 small businesses engaged in industries across the spectrum.

Many of these small businesses received subcontracts following the devastation of Hurricanes Ike and Harvey, and their work helped rebuild Houston as well as restore local economic growth.

Just this week, there was a briefing on the COVID-19 pandemic response that underscored how important small business subcontracts were, and continue to be, to our capacity for COVID testing, quarantine, and much more.

Small businesses are always serving our communities, and this legislation on subcontracting will allow them to do more of what they're already doing: improving life for us all.

We need legislation that reinforces the value and capability that small businesses provide to the American economy, especially through contracts with the federal government.

I urge all my colleagues to support H.R. 7694, the Strengthening Subcontracting for Small Businesses Act.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 7694.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. ROY. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

□ 1700

BANKRUPTCY THRESHOLD ADJUSTMENT AND TECHNICAL CORRECTIONS ACT

Mr. NEGUSE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3823) to amend title 11, United States Code, to modify the eligibility requirements for a debtor under chapter 13, and for other purposes.

The Clerk read the title of the bill.
The text of the bill is as follows:

S. 3823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bankruptcy Threshold Adjustment and Technical Corrections Act".

SEC. 2. BANKRUPTCY AMENDMENTS.

(a) DEFINITION OF SMALL BUSINESS DEBTOR.—Section 101(51D)(B) of title 11, United States Code, is amended—

(1) in clause (i), by inserting "under this title" after "affiliated debtors"; and

(2) in clause (iii), by striking "an issuer" and all that follows and inserting "a corporation described in clause (ii).".

(b) ADJUSTMENTS FOR INFLATION.—Section 104 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting "1182(1)," after "707(b)."; and

(2) in subsection (b), by inserting "1182(1)," after "707(b).".

(c) WHO MAY BE A DEBTOR UNDER CHAPTER 13.—Section 109 of title 11, United States Code is amended by striking subsection (e) and inserting the following:

"(e) Only an individual with regular income that owes, on the date of the filing of the petition, noncontingent, liquidated debts of less than \$2,750,000 or an individual with regular income and such individual's spouse, except a stockbroker or a commodity broker, that owe, on the date of the filing of the petition, noncontingent, liquidated debts that aggregate less than \$2,750,000 may be a debtor under chapter 13 of this title."

(d) DEFINITION OF DEBTOR.—Section 1182(1) of title 11, United States Code, is amended to read as follows:

"(1) DEBTOR.—The term 'debtor'—

"(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning single asset real estate) that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition or the date of the order for relief in an amount not more than \$7,500,000 (excluding debts owed to 1 or more affiliates or insiders) not less than 50 percent of which arose from the commercial or business activities of the debtor; and

"(B) does not include—

"(i) any member of a group of affiliated debtors under this title that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than \$7,500,000 (excluding debt owed to 1 or more affiliates or insiders);

"(ii) any debtor that is a corporation subject to the reporting requirements under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

"(iii) any debtor that is an affiliate of a corporation described in clause (ii)."

(e) TRUSTEE.—Section 1183(b)(5) of title 11, United States Code, is amended—

(1) by striking "possession, perform" and inserting "possession—

"(A) perform";

(2) in subparagraph (A), as so designated—

(A) by striking "including operating the business of the debtor"; and

(B) by adding "and" at the end; and

(3) by adding at the end the following:

"(B) be authorized to operate the business of the debtor;"

(f) CONFIRMATION OF PLAN.—Section 1191(c) of title 11, United States Code, is amended by striking paragraph (3) and inserting the following:

“(3)(A) The debtor will be able to make all payments under the plan; or

“(B)(i) there is a reasonable likelihood that the debtor will be able to make all payments under the plan; and

“(ii) the plan provides appropriate remedies, which may include the liquidation of nonexempt assets, to protect the holders of claims or interests in the event that the payments are not made.”.

(g) TECHNICAL CORRECTIONS TO THE BANKRUPTCY ADMINISTRATION IMPROVEMENT ACT.—Section 589a of title 28, United States Code is amended—

(1) in subsection (c) by striking “subsection (a)” and inserting “subsections (a) and (f)”;

(2) in subsection (f)(1)—

(A) in the matter preceding subparagraph (A), by striking “subsections (b) and (c)” and inserting “subsection (b)(5)”;

(B) in subparagraph (A), by inserting “needed to offset the amount” after “amounts”.

(h) EFFECTIVE DATE; APPLICABILITY.—

(1) IN GENERAL.—Subsections (b) and (c) and the amendments made by subsections (b) and (c) shall take effect on the date of enactment of this Act.

(2) RETROACTIVE APPLICATION OF CERTAIN AMENDMENTS.—The amendments made by subsections (a), (d), (e), and (f) shall apply with respect to any case that—

(A) is commenced under title 11, United States Code, on or after March 27, 2020; and

(B) with respect to a case that was commenced on or after March 27, 2020 and before the date of enactment of this Act, is pending on the date of enactment of this Act.

(3) EFFECTIVE DATE OF TECHNICAL CORRECTIONS TO BAIA.—The amendments made by subsection (g) shall take effect as if enacted on October 1, 2021.

(i) SUNSETS.—

(1) IN GENERAL.—Effective on the date that is 2 years after the date of enactment of this Act—

(A) subsection (e) of section 109 of title 11, United States Code is amended to read as such subsection read on the day before the date of enactment of this Act; and

(B) section 1182(1) of title 11, United States Code, is amended to read as follows:

“(1) DEBTOR.—The term ‘debtor’ means a small business debtor.”.

(2) AMOUNTS.—For purposes of applying subsection (e) of section 109 of title 11, United States Code, as amended by paragraph (1)(A), the amounts specified in such subsection shall be the amounts that were in effect on the day before the date of enactment of this Act.

The SPEAKER pro tempore (Mr. VEASEY). Pursuant to the rule, the gentleman from Colorado (Mr. NEGUSE) and the gentleman from Oregon (Mr. BENTZ) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. NEGUSE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on S. 3823.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. NEGUSE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank Senator DURBIN and Senator GRASSLEY for their work on this bill. I also thank my colleague on the other side of the aisle, Rep-

resentative CLINE, for being the Republican lead on the bill.

The Bankruptcy Threshold Adjustment and Technical Corrections Act shows that we can still come together in a bipartisan and bicameral way and make commonsense changes to the law that help small businesses on Main Street and everyday Americans.

Before the COVID-19 pandemic, Mr. Speaker, many sole proprietors and middle-class families who live in high cost-of-living areas were ineligible to receive chapter 13 bankruptcy protections because the debt limits were far too low. For families forced into bankruptcy who wanted to keep their homes, vehicles, or any essential property, and were willing to pay off their debts under court supervision, chapter 13 is their only lifeline. The alternative for these families can be devastating. Many have lost everything, including their homes.

The story is similar for small businesses. In 2019, the American Bankruptcy Institute's Commission on Consumer Bankruptcy found that the artificially low chapter 13 limits were driving people away from the relief that they needed, and they called on this Congress to act.

Sole proprietors who could otherwise save their businesses and protect their families have been forced to liquidate everything because they exceeded the debt limits of chapter 13.

The Small Business Reorganization Act of 2019, the SBRA, as the Speaker pro tempore knows, created subchapter V in chapter 11 bankruptcy, a voluntary option for small businesses in need of expedited bankruptcy relief. But that low debt limit meant that many small businesses simply could not take advantage of the program.

The travesty of the pandemic really brought the need to increase these debt limits into stark relief. The CARES Act raised the debt limit threshold under the SBRA. That was done on a bipartisan basis by this House. It provided important protections to families and homeowners, but those provisions were temporary.

My office has been contacted by countless professionals from all over the bankruptcy community expressing the need for this legislation. The National Conference of Bankruptcy Judges, an association of the bankruptcy judges of the United States, has said that the SBRA was one of the best modifications to the Bankruptcy Code in recent years. It assisted nearly 3,000 small businesses across the country that were in need of expedited relief through the pandemic. The Office of the United States Trustee Program also reported that more than half of these small business debtors received successful outcomes through a confirmed reorganization plan in 6 months or less.

Despite the success of this program, the debt limit increase under the SBRA expired earlier this year, just a few months ago, on March 27, 2022, which

created an environment of uncertainty and unpredictability within the bankruptcy arena. Today's legislation retroactively restores that higher debt limit and extends it for another 2 years, allowing more businesses to take advantage of these protections under court supervision.

This bill passed the Senate by unanimous consent, and I certainly hope that we can get a similar level of bipartisan support here in the House. This bill will make a big difference by allowing families to keep their homes, vehicles, and livelihoods intact while they repay their debt.

Mr. Speaker, I reserve the balance of my time.

Mr. BENTZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 3823 would make modest and temporary changes to the U.S. Bankruptcy Code.

First, the bill temporarily increases debt limits for small business debtors under subchapter V of chapter 11 and for individual debtors reorganizing debt under chapter 13.

Subchapter V of the Bankruptcy Code is a lower cost reorganization bankruptcy option for small businesses. These businesses don't have deep pockets, and traditional, expensive chapter 11 reorganizations may not be feasible.

Subchapter V is a more affordable and streamlined approach, which can lead to more successful reorganizations. That means that both debtors and creditors should be better off because, hopefully, less of the debtor's estate will go toward professional fees and more will be left for the debtor's business and, ultimately, the creditors.

Subchapter V took effect in February 2020. At that time, the debt limit for those wishing to utilize this more streamlined law was just over \$2.7 million. Due in part to expected trouble for small businesses, the CARES Act and later legislation temporarily increased the debt limit for subchapter V filers to \$7.5 million. That temporary increase sunsetted in March of this year. This bill again extends the \$7.5 million debt limit for another 2 years.

Likewise, the bill also changes the bankruptcy debt limits for chapter 13, which is a way for eligible individuals, including sole proprietors, to reorganize their debts. The bill removes the distinction between secured and unsecured debt limits under chapter 13 and increases the overall debt limit for those who wish to file for their individual protection from about \$1.9 million to \$2.75 million.

Like the adjustment to subchapter V, these changes to chapter 13 apply for only 2 years. Put simply, Americans are having a harder time making ends meet due to what I think we would agree are mistakes made under the Biden administration and Democrats in control of Congress.

Raising the debt limit will allow those suffering from these failed policies to adjust their debts to fit the new

realities of our economy, skyrocketing energy and input costs, not enough workers, and more. A successful reorganization can leave both debtors and creditors better off.

At the same time, we just don't have certain data about some of these bankruptcy policy changes or their likely long-term effects. That is why these changes to our Bankruptcy Code should be temporary.

An additional 2 years of normal post-pandemic bankruptcy activity will give us a better understanding of the underlying policy issues and will help guide the future design of our bankruptcy system.

It is also worth noting that this bill did not go through regular order in the Judiciary Committee, so it did not benefit from robust oversight or legislative hearings. Americans are best served when Federal policy is made after careful and focused congressional deliberation, something that would have occurred in regular order.

The bill makes clarifications to small business bankruptcies that relate to eligibility, trustee responsibilities, and bankruptcy plan requirements. These would be permanent. The bill also makes accounting-related clarifications that will operate to improve the U.S. Trustee System Fund.

Mr. Speaker, I reserve the balance of my time.

Mr. NEGUSE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Ms. JACKSON LEE).

Ms. JACKSON LEE. Mr. Speaker, I thank the distinguished member of our committee, Mr. NEGUSE, for his leadership joining with the Senate, and I thank him for yielding, Mr. Speaker.

This is a fresh start. This is a new opportunity in important bipartisan, bicameral legislation that Mr. NEGUSE has nurtured and introduced and will ensure, under his leadership, that our bankruptcy system works for the entrepreneurs, small businesses, homeowners, and American families, who are the backbone of this country and of the communities where they live and work.

Having the privilege of having served on the Judiciary Committee for some time, I am reminded of the work that we have done, almost like a puzzle putting together a better matrix for the American people to be able to renew their lives even as they may have the necessity of filing for bankruptcy.

If there is one fundamental principle of American bankruptcy law, it is the promise of a fresh start, and the fresh start is quintessentially an American idea. It is a promise that even when your best efforts have failed, you are not a failure, and you will have a chance to get back up and try again. It is a promise that your debts will not destroy you.

Increasing the debt limit for small businesses electing to file for bankruptcy under subchapter V of chapter 11 to \$7.5 million is long overdue.

Mr. Speaker, I particularly thank Mr. NEGUSE because really small busi-

nesses across America have been raising this question, making the point that it is impossible for them to survive with the previous cap for individual chapter 11 filers of \$2.75 million.

This legislation will provide much-needed certainty that the bankruptcy system will be responsive to hardworking Americans and their families trying to stay afloat in a world that can be turned upside down by global economic shocks.

Just as I started, again, the filing of bankruptcy should not cause one to never renew again. This legislation, with the leadership of Mr. NEGUSE, gives our American businesspersons, homeowners, and others a fresh start.

I ask my colleagues to support this legislation.

□ 1715

Mr. NEGUSE. Mr. Speaker, I am prepared to close and I reserve the balance of my time.

Mr. BENTZ. Mr. Speaker, I yield back the balance of my time.

Mr. NEGUSE. Mr. Speaker, I yield myself the balance of my time. I will simply close by first thanking the distinguished chairwoman from Texas (Ms. JACKSON LEE), who is always so articulate and I am grateful for her leadership and kind remarks.

I also thank Mr. CICILLINE, the chairman of the subcommittee of jurisdiction, whose leadership was pivotal; and as I mentioned before, my Senate partners and Representative CLINE.

At the end of the day, I think we have a real opportunity today to honor American ingenuity, entrepreneurship, and innovation by providing our small businesses across the United States in Main Street after Main Street with the opportunity and the tools that they need to be able to survive.

Mr. Speaker, I think this bill is a small step in that direction. It is bipartisan. It passed the Senate unanimously, and I certainly hope that it will pass this Chamber unanimously as well.

Mr. Speaker, I urge my colleagues to support the bill, and I yield back the balance of my time.

Mr. CICILLINE. Mr. Speaker, I rise in strong support of S. 3823, the "Bankruptcy Threshold Adjustment and Technical Corrections Act."

This important bipartisan, bicameral legislation introduced by my colleague, Congressman Neguse, will ensure that our bankruptcy system works for the entrepreneurs, small businesses, homeowners, and American families who are the backbone of this country and of the communities where they live and work.

If there is one foundational principle of American bankruptcy law, it is the promise of the "fresh start." The fresh start is a quintessentially American idea. It is the promise that even when your best efforts have failed, you will have a chance to get back up and try again. It is the promise that your debts will not destroy you.

By increasing the debt limit for small businesses electing to file for bankruptcy under subchapter V of Chapter 11 to \$7.5 million, and for individual Chapter 13 filers to \$2.75

million, this legislation will provide much-needed certainty that the bankruptcy system will be responsive to hardworking Americans and their families trying to stay afloat in a world that can get turned upside down by global economic shocks.

We all benefit from the fresh start. When it works as intended, it boosts economic growth, reduces unemployment, and encourages innovation and entrepreneurship. This legislation represents a major step toward ensuring that our bankruptcy system makes good on that promise.

I thank my colleagues, Representatives Neguse and Cline, for their leadership on this bill and for their work to ensure that small businesses and families have meaningful access to the bankruptcy process.

I urge my colleagues to support S. 3823.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. NEGUSE) that the House suspend the rules and pass the bill, S. 3823.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROY. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

WATER RESOURCES DEVELOPMENT ACT OF 2022

Mr. DEFAZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7776) to provide for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Water Resources Development Act of 2022".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Secretary defined.

TITLE I—GENERAL PROVISIONS

Sec. 101. Federal breakwaters and jetties.
Sec. 102. Emergency response to natural disasters.
Sec. 103. Shoreline and riverine restoration.
Sec. 104. Tidal river, bay, and estuarine flood risk reduction.
Sec. 105. Removal of manmade obstruction to aquatic ecosystem restoration projects.
Sec. 106. National coastal mapping study.
Sec. 107. Public recreational amenities in ecosystem restoration projects.
Sec. 108. Preliminary analysis.
Sec. 109. Technical assistance.
Sec. 110. Corps of Engineers support for underserved communities; outreach.