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Infrastructure Alert

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USDOT updates DBE and ACDBE regulations

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A new USDOT interim final rule changes certification, contract, and compliance requirements for DBE/ACDBE programs nationwide as of October 3, 2025.



What's the impact?

- USDOT now requires race- and sex-neutral standards for DBE/ACDBE certification, eliminating prior presumptions of disadvantage.
- Under the new criteria, DBE/ACDBE firms must recertify with detailed personal and financial documentation demonstrating evidence of disadvantage.
- State departments of transportation (DOTs) must suspend DBE contract goals during recertification and should prepare for reductions in DBE participation during the recertification period.

The US Department of Transportation (USDOT) announced a significant interim final rule (IFR) update to the Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs as of October 3, 2025. This rule revision impacts DBE and ACDBE certification processes, contract goals, and compliance for state DOTs, contractors, and disadvantaged businesses nationwide.

Key highlights of the 2025 USDOT DBE and ACDBE regulation update

ELIMINATION OF RACE- AND SEX-BASED PRESUMPTIONS

The IFR removes the previous race- and sex-based presumptions of social and economic disadvantage in federal transportation contracting programs, requiring race- and sex-neutral DBE and ACDBE certification standards.

NEW INDIVIDUALIZED CERTIFICATION AND RECERTIFICATION PROCESS

Under the new requirements, all DBE and ACDBE firms must undergo recertification. This includes submitting detailed personal narratives and financial disclosures demonstrating individualized evidence of social and economic disadvantage.

TEMPORARY SUSPENSION OF DBE CONTRACT GOALS

Until the Unified Certification Programs (UCPs) complete the recertification process, state DOTs and other relevant federal-aid recipients are (with respect to project receiving USDOT funds) directed to temporarily suspend DBE contract goals and refrain from counting DBE participation toward overall goals.

COMPLIANCE WITH DIVERSITY, EQUITY, AND INCLUSION (DEI) PRINCIPLES

The update aligns with the Trump administration's broader review of DEI criteria in federal transportation grant and funding programs and purports to ensure nondiscrimination and fairness in DBE participation.

What state DOTs and federal-aid recipients need to know

DOTs and other relevant federal-aid recipients should take the following actions in response to the updated USDOT DBE regulations:

- Review and update procurement policies and DBE/ACDBE goal-setting procedures in accordance with new USDOT regulations.
- Prepare for potential temporary reductions in DBE/ACDBE participation during the mandatory recertification period.
- Monitor USDOT guidance for ongoing updates on certification timelines, documentation, and compliance expectations.

Guidance for contractors and DBE/ACDBE firms

The following points provide some practical considerations for contractors and DBE/ACDBE firms navigating the recertification process:

- Existing DBE and ACDBE certifications may lapse pending recertification under the new individualized criteria.
- Contractors and DBE/ACDBE firms should prepare to submit comprehensive documentation, including personal narratives detailing social and economic disadvantages and current personal net worth statements.
- Expect some delays in certification processing during this transition phase.

Importance of compliance with the USDOT IFR

Adhering to the revised DBE and ACDBE certification requirements is crucial for maintaining eligibility for federal transportation contracts and funding, including for currently funded projects. This IFR represents a fundamental shift in approach that will have far reaching impacts, especially during the recertification and transition period.

Nixon Peabody's [Project Finance](#) and [Public Finance](#) groups work with public and private entities to implement innovative solutions, ensure compliance with federal and state regulations, and drive the success of transportation projects. For more information on compliance with the October 2025 USDOT DBE and ACDBE regulations, please refer to official USDOT releases and guidance documents and get in touch with your Nixon Peabody attorney.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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