

October 7, 2025

Dear Stakeholder,

On September 30, 2025, USDOT published an Interim Final Rule (IFR) that changes the Disadvantaged Business Enterprise (DBE) and Airport Concessionaire (ACDBE) programs. The link to the USDOT website is located here: [DBE Laws, Policy, and Guidance | US Department of Transportation](#).

The IFR was effective immediately upon publication in the Federal Register. Publication in the Federal Register occurred October 3, 2025 as indicated here: [Federal Register :: Disadvantaged Business Enterprise Program and Disadvantaged Business Enterprise in Airport Concessions Program Implementation Modifications](#).

The key takeaways from the IFR are as follows:

- Race and gender are removed as presumed qualifiers for social disadvantage in the DBE program. Instead, applicants must prove they are socially disadvantaged under the standard laid out in 49 CFR 26.67. The burden lies with the applicant. Economic standards remain in place. Applicants must prove **both** social and economic disadvantage to be certified.
- All current DBEs must reapply for certification. The reapplication process requires proof of social disadvantage under 49 CFR 26.67.
- The Iowa Department of Transportation (IA DOT) cannot set DBE goals on any contracts while the reapplication process takes place.
- There are changes to reporting requirements related to the removal of race and gender presumptions from the DBE program.

The immediate steps IA DOT is taking to comply with the IFR are:

- The IA DOT will work with USDOT/FHWA to develop timely guidance and support for the DBE community regarding implementation of the IFR.
- The DBE Directory will be removed from the IA DOT website until the reapplication process is complete.
- The IA DOT will not set DBE goals on contracts during the reapplication process and has removed the goals set for the October letting.
- IADOT will not be accepting new DBE/ACDBE applications until the reapplication process is complete.

It will take some time to obtain guidance from USDOT, develop processes, and modify systems to ensure compliance with the IFR. The Iowa Department of Transportation will remain in communication with all stakeholders. In the meantime, if you have any questions, please send them in writing to nikita.rainey@iowadot.us.



Nikita Rainey
Civil Rights Bureau Director