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Subject: FW: Disadvantaged Business Enterprise (DBE) and Airport Concessionaire (ACDBE) - Interim Final Rule (IFR)

Dear DBE Owner(s),

On September 30, 2025, USDOT published an Interim Final Rule (IFR) that significantly 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 is effective upon publication in the Federal Register, which was published on October 3, 2025 as indicated here: [Federal Register :: Disadvantaged Business Enterprise Program and Disadvantaged Business Enterprise in Airport Concessions Program Implementation Modifications](#).

The new Interim Final Rule (IFR) removes race- and sex-based presumptions for determining whether an individual is socially and economically disadvantaged. Under the IFR, DBE and ACDBE applicants must now demonstrate disadvantage on a case-by-case basis. Under 49 C.F.R. §26.67, to become recertified:

- a. All applicants must demonstrate social and economic disadvantage (SED) affirmatively based on their own experiences and circumstances within American society, and without regard to race or sex.
 1. To satisfy the SED requirement and ensure all determinations of disadvantage are not based in whole or in part on race or sex, an owner must provide the certifier a Personal Narrative (PN) that establishes the existence of disadvantage by a preponderance of the evidence based on individualized proof regarding specific instances of economic hardship, systemic barriers, and denied opportunities that impeded the owner's progress or success in education, employment, or business, including obtaining financing on terms available to similarly situated, non-disadvantaged persons.
 2. The PN must state how and to what extent the impediments caused the owner economic harm, including a full description of type and magnitude, and must establish the owner is economically disadvantaged in fact relative to similarly situated non-disadvantaged individuals.
 3. The owner must attach to the PN a current Personal Net Worth (PNW) statement and any other financial information he considers relevant.

The Kentucky Transportation Cabinet's Office for Civil Rights and Small Business Development is reviewing the new changes and is awaiting additional federal guidance. We will contact all of our DBEs with how to send the re-evaluation information and will provide updates as more information becomes available. Important: During the recertification and re-evaluation process, participation cannot be counted toward DBE goals until re-evaluations are complete.

If you have questions about these requirements or need clarification, we are waiting for further guidance from FHWA and USDOT and they should know more soon. Please contact our office at 502-564-3601.



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