

DBE Interim Final Rule (IFR) – LA Division Quick Reference Guide

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Applies to: FHWA, FTA, FAA, and all State DOTs / UCPs

1 - Why This Matters

A recent federal court ruling found the race- and sex-based *presumptions of disadvantage* in the DBE/ACDBE programs unconstitutional. USDOT agreed with that ruling.

Key Takeaway: The IFR shifts the DBE/ACDBE program from **group-based presumptions** → to **evidence-based evaluations**.

2 - What Changed

Before (Old Rule)	Now (Interim Final Rule – 49 CFR § 26.67)
Individuals of certain races, ethnicities, or women were automatically presumed socially and economically disadvantaged.	No more presumptions. All applicants must submit personal narratives and evidence proving disadvantage.
Existing DBE certifications continued annually if there were no significant business changes.	UCPs must reevaluate all existing DBEs/ACDBEs under the new standards.
Contract goals could be set using current certified DBEs.	Recipients must pause setting or counting DBE goals until reevaluation is complete.

3 - New Certification Requirements

To qualify as a DBE/ACDBE, an applicant must now provide:

- **Personal Narrative:** Specific examples of social or economic disadvantage (e.g., discrimination, limited access to capital, business barriers).
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4 - Additional UCP / State DOT Actions Required

- ✓ Cease using prior race/sex presumptions in new applications.
 - ✓ Update certification forms, training materials, and internal guidance.
 - ✓ Maintain documentation of all determinations for audit and legal defense.
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5 - Transition & Compliance

- Fairness principle: previously certified firms don't automatically lose eligibility — they just must **re-establish it under the new process**.