

Federal Aviation Administration/
US Department of Transportation

ACDBE Program

March 5, 2025

ACDBE Program Basics

- The FAA ACDBE Program is a federal program applicable to airports that receive federal funds through grants from the FAA
- The intent of the Program is to eliminate barriers to participation in contracting for Airport Concession Disadvantaged Business Enterprises
- The program is not a quota or set-aside program. The program is goal-based, requiring good faith efforts to meet goals.
- Overall goals are set that are in place for a three-year period
- Contract goals may be set at varying levels depending upon the nature of the contract, subcontracting opportunities and the availability of ACDBEs to perform the specific type of work.

DOT ACDBE Program Objectives

The program is designed to accomplish the following objectives:

- (a) To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance;
- (b) To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions;
- (c) To ensure that the Department's ACDBE program is narrowly tailored in accordance with applicable law;
- (d) To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as ACDBEs;
- (e) To help remove barriers to the participation of ACDBEs in opportunities for concessions at airports receiving DOT financial assistance;
- (f) To promote the use of ACDBEs in all types of concessions activities at airports receiving DOT financial assistance;
- (g) To assist the development of firms that can compete successfully in the marketplace outside the ACDBE program; and
- (h) To provide appropriate flexibility to airports receiving DOT financial assistance in establishing and providing opportunities for ACDBEs.

ACDBE Program Basic Elements

- Establishment of ACDBE Program
- ACDBE Goals – overall goals established every three years, contract goals established as contracts are solicited
- Reporting of Accomplishments – annually
- Certification of participating firms – ongoing
- Compliance, Monitoring and Enforcement - ongoing

What is an ACDBE?

Airport Concession Disadvantaged Business Enterprise (ACDBE) means a concession that is a for-profit **small** business concern—

(1) That is at least 51 percent owned by one or more individuals who are both **socially and economically disadvantaged** or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and

(2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

What is a Small Business?

A small business concern must meet size standards—

- ***Banks and financial institutions:*** less than \$1 billion in assets
- ***Car rental companies:*** Less than \$75.23 million average annual gross receipts over the firm's three previous fiscal years
- ***Pay telephones:*** Less than 1,500 employees
- ***Automobile dealers:*** Less than 350 employees
- ***All Others:*** Less than \$56.42 million average annual gross receipts over the firm's three previous fiscal years

What is Social/Economic Disadvantage?

- ***Social disadvantage:*** *Women and members of groups designated by Congress as disadvantaged and others who can demonstrate disadvantage on a case-by-case basis*
- ***Economic disadvantage:*** Personal net worth of less than \$2.047 million excluding equity in primary residence, retirement assets, and applicant business

Designated Socially Disadvantaged Groups

- Presumed Disadvantaged Groups:
- Black Americans
- Hispanic Americans
- Native Americans
- Asian-Pacific Americans
- Subcontinent Asian Americans
- Women
- Any additional groups whose members are designated as socially and economically disadvantaged by the SBA
- Individuals:
- Any individual found to be a socially and economically disadvantaged individual on a case-by-case basis.

What is a Concession?

A Concession is:

- A business, located on an airport, that is engaged in the sale of consumer goods or services to the public under an agreement with the airport, another concessionaire, or the owner or lessee of a terminal.

OR

- A business conducting one or more of the following covered activities, even if it does not maintain an office, store, or other business location on an airport, as long as the activities take place on the airport:
 - Management contracts and subcontracts
 - Web-based or other electronic business in a terminal
 - An advertising business that provides advertising displays
 - A business that provides goods and services to concessionaires

Concessions – Opportunities

- Food/beverage
- Retail
- Car Rental
- Other concessions – e.g. Advertising, ATMs, Foreign Currency Exchange, Hotels, Gas Stations, Luggage Cart Rental, etc.

Concessions – Participation Structures

- Direct Participation
 - Direct lease with airport
 - Sublease
 - Joint Venture
- Goods/Services (primarily car rental)

Concessions – Small Business Element

- New element of the ACDBE Program as of May 2024
- Levels the playing field for small businesses in certain concession opportunities
- Work in progress

Thank You!

Questions?