

# 2025 ACDBE Joint Venture Guidance Training



Federal Aviation  
Administration

*Office Of Civil Rights*

ACHIEVING SAFETY  
THROUGH DIVERSITY

## **Presented by:**

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# Introduction

- Purpose and Overview
- Importance of Joint Venture Guidance
- Key objectives of the revised 2025 Joint Venture Guidance
- Overview of JV Guidance Tools

# History and Evolution of Joint Venture Guidance

- **2005:** Issuance of Part 23 regulations
- **2008:** Release of the first Joint Venture guidance
- **2022:** Internal Part 23 Review Report
- **2024:** Issuance of New Part 23 Rule

*Why revising the Joint Venture Guidance was necessary?*

# Importance of Joint Venture Guidance

- Why guidance is necessary for Joint Venture monitoring, and commercially useful function evaluation, and counting.
- Understanding the Definition (23.3): What is a Joint Venture?
- Counting Participation (23.55): Counting Joint Venture participation that results from a commercially useful function.
- Monitoring & Enforcement (23.29): Written certification of reviews and site-monitoring.

# Key Changes in the Revised Guidance

- Timelines for Joint Venture Review
- Loans to JV and between partners
- Management / Other Fees
- Capital contributions
- Termination / Substitution upon Decertification
- Dissolution & Liquidation
- Monitoring Elements

# Review of Joint Venture Agreements

- Timelines for the review
- Initial review of joint venture agreement
- Approval of joint venture agreement

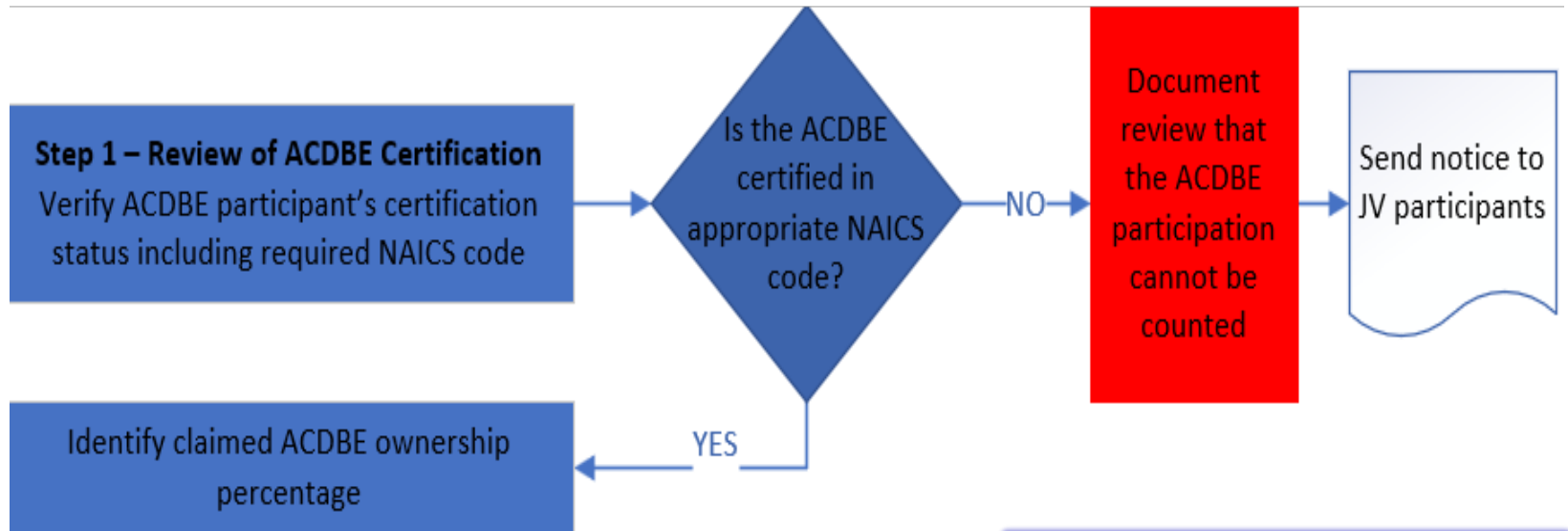
# Step-by-Step Review Process

**Step 1 - Review of ACDBE Certification**  
(Section 3 of the JV Guidance)

**Step 2 - Review of Basic Elements of a JV**  
(Section 4 of the Guidance)

**Step 3 - Determine ACDBE Participation**  
(Section 5 of the 2025 JV Guidance)

# Step 1: ACDBE Certification



Covered in  
**Section 3** of the  
2025 JV Guidance



# Step 1 – Review ACDBE Certification

- Joint Venture entity cannot be certified as an ACDBE
- One or more of the joint venture participants must be a certified ACDBE
- ACDBE firms must be certified in the NAICS code associated with the type of work the firm will be doing and in the state the JV will be operating
- Continued counting after ACDBE decertification

# Step 2: Basic Elements of a Joint Venture

**Step 2 - Review of Basic Elements**  
Review each element of the JV to ensure the agreement meets the definition of a JV under the regulation

Covered in  
**Section 4** of the  
**2025 JV Guidance**

Review amount and source of initial contribution and future capital requirements to verify that the **ACDBE's capital contributions are commensurate with ownership interest.**

Review ACDBE participation voting, unanimous consent items, quorum requirements, etc., to verify that **control by the ACDBE is commensurate with ownership interest.**

Review ACDBE participation in overall and day-to-day management, including staffing, decision making ability, etc., to verify that **the ACDBE's participation in the management is commensurate with ownership interest.**

Review management fees to verify that they **represent a recovery of cost and method to monitor and adjust the fee.**

Review contract provisions to verify that they carry equal risks for all partners to verify that the **ACDBE's risk is commensurate with ownership interest.**

Review how profits and losses, including liquidation of assets at dissolution, will be calculated and distributed to **verify that they are commensurate with ACDBE's ownership interest.**

# Step 2 – Review of Basic Elements of a Joint Venture

- Management Fees
  - New guidance on acceptable practices (i.e. draw arrangements prohibited).
- Capital Contributions
  - Initial Contributions
  - Future Contributions

## Step 2 – Review of Basic Elements of a Joint Venture (Cont.)

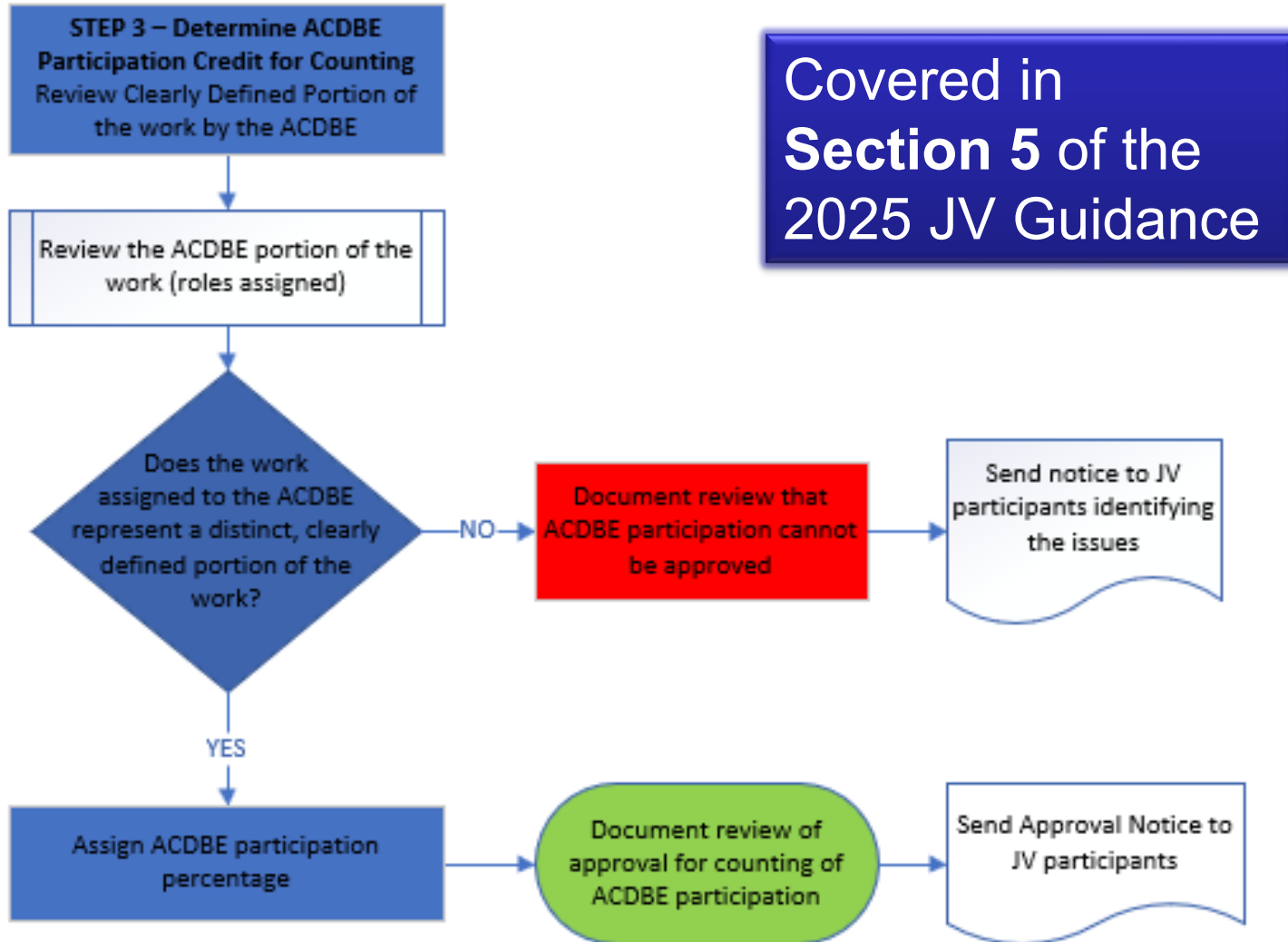
- Loans Between Partners
  - See 26.70 Debt Financed Investments
- Loans from Non-ACDBE to Joint Venture
  - Same requirements for loans between partners apply

## Step 2 – Review of Basic Elements of a Joint Venture (Cont.)

### Dissolution/Winding Down - Requirements for Joint Venture dissolution and liquidation

- Disposition or liquidation of its assets
- Payment of debts and obligations
- Reserve of outstanding obligations
- Agreement to valuation and distribution of joint venture asset

# Step 3: Determine ACDBE Participation



# Step 3: Determine ACDBE Participation Credit for Counting

- Commercially Useful Function
- Distinct and clearly defined work
- Clarification on how to examine performing with its own forces
- Monitoring changes to ACDBE participation

# ACDBE Monitoring Requirements

- Documented monitoring process
- Elements to include in monitoring process
- Approval of changes to JV Agreement

Covered in  
**Section 6** of the  
2025 JV Guidance



# Recap of Key Points

- Review and Approval of JV Agreement
- Counting ACDBE Participation
- Monitoring Requirements
- Reporting ACDBE Participation

# Coming Soon!

## *New - Practical Tools for Implementation*

### **ACDBE Joint Venture Agreement Review**

Tool to document review of joint venture agreement

### **ACDBE Joint Venture Monitoring**

Tool to determine Commercially Useful Function

### **Counting of Joint Venture ACDBE Participation**

Tool to determine ACDBE participation credit

# Thank you!

# List of Resources

- [2025 ACDBE Joint Venture Guidance](#)
- [Official Q&A's ACDBE Program Regulations](#)
- [ACDBE Program Regulation \(49 CFR 23\)](#)
- [FAA Civil Rights Connect](#)
- [FAA Office of Civil Rights Staff Contacts](#)