



What does the October 3rd Interim Final Rule (IFR) mean for DBE/ACDBE Certification in Alaska?



Who processes DBE/ACDBE certification docs?

Currently the CRO has two staff members to process DBE/ACDBE applications, annual reviews, recertification, maintain and keep the files secure, update documents, write letters, maintain the database, and respond to questions and requests. We have both been working in DBE certification for about 10 years and we are happy to answer any questions and to explain the rules.

In addition to DBE certification, we also work on contract compliance topics, specification writing, DBE goal methodologies, DBE program plans, GFE review, and Post Award Conferences.

***** We always take a customer service approach to our work *****

Sarah Starzec

DBE/ACDBE Certification Officer

Angelo Tutaan

DBE/ACDBE Certification Specialist



DBE /ACDBE Interim Final Rule Oct 3, 2025

Some changes look negative on the surface, but you will soon realize that space is being created in your life for something new to emerge. Eckhart Tolle

The USDOT issued an Interim Final Rule (IFR) making immediate changes to the DBE program on October 3, 2025. The IFR removes race- and sex-based presumptions of "social and economic disadvantage" from DBE program eligibility that, according to the agency, violate the Equal Protection Clause of the Fourteenth Amendment. The IFR also requires all firm owners seeking DBE certification to provide "individualized evidence" of both their social and economic disadvantage. Because the DBE program is implemented by state- and local-level DOT grantees, the IFR directs state government entities that certify DBEs to conduct a reevaluation process "to recertify any DBE that meets the new certification standards, and to decertify any DBE that does not meet the new certification standards or fails to provide additional information required." Although there is no deadline, the IFR requires recertification to be completed "as quickly as practicable".



DBE /ACDBE Interim Final Rule Oct 3, 2025

Timeline of Events

October 3, 2025 – The Interim Final Rule (IFR) is issued and takes effect immediately.

Alaska DOT&PF cannot count any DBE/ACDBE participation towards any goal until all firms are reevaluated under these new rule

October 27, 2025 – IFR Q&A document is published:

https://www.transportation.gov/sites/dot.gov/files/DBE_IFR_FAQs.pdf

November 7, 2025 – The Alaska Unified Certification Program (AUCP) issues letters to Interstate DBE/ACDBEs stating that they have been removed from the AUCP program and to ANC-owned firms that states the IFR does not apply, and they have been reevaluated. The AUCP has a little over 100 Alaska DBE/ACDBEs to reevaluate based on an individual determination of social and economic disadvantage.



IFR Timeline of Events continued

Mid November 2025– The AUCP sent a survey to DBE/ACDEs to determine what they intend to do and what kind of help they need.

December 2025 – The AUCP issues letters and guidance to Alaska DBE/ACDBEs requesting a Personal Narrative of social disadvantage and a Personal Net Worth (PNW) statement to reevaluate and recertify firms so that we may count participation towards to the goals again. An updated FAQ is also issued.

January – April 2026 – The AUCP reevaluates DBE/ACDBE firms based on an individual determination of social and economic disadvantage.

May 2026 – The AUCP completes the reevaluation process and waits for the USDOT (usually FHWA as they are our primary funder) to approve our program and reevaluation process.



How will DBE/ACDBEs be reevaluated?

Could a greater miracle take place than for us to look through each other's eyes for an instant? Henry David Thoreau

The AUCP will take a customer service approach to reevaluate firms by reviewing and evaluating a new Personal Net Worth Statement and a Personal Narrative of social disadvantage.

We have sent Personal Narrative Instructions to all DBEs, and the docs are available on the IFR page of our website: dot.alaska.gov/cvlrts/dbe-acdbe-ifr-reevaluation.shtml

If you are a DBE or ACDBE applying for reevaluation, you can submit these documents anytime by emailing it to: dot.cro.DBECerts@alaska.gov

Each reevaluation package submitted will be reviewed by both Angelo and Sarah, and the decision will be concurred by Rashaud Joseph the CRO Manager. We will document our decision in the file and email a letter of recertification. Recertified Alaska DBEs are identified in the directory as DBE Type: Non-presumptive Disadvantage



Code of Federal Regulation 49 CFR Part 26 (DBE) and Part 23 (ACDBE)

§ 26.67 Social and economic disadvantage

(a) ***Non-presumptive Disadvantage.*** 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 PNW statement and any other financial information he considers relevant.

§ 26.68 Personal net worth

(a) ***General.*** An owner whose PNW exceeds \$2,047,000 is not presumed economically disadvantaged.



The USDOT issued FAQs for the IFR which includes the following:

To establish social disadvantage through the personal narrative, does a DBE owner have to meet all categories of economic hardship, systemic barriers, and denied opportunities described in 49 CFR § 26.67? (added 12/01/2025) No. Per 49 CFR § 26.67, a DBE owner must provide the certifier a

personal narrative that establishes the existence of disadvantage by a preponderance of the evidence.

Certifiers must holistically evaluate all presented evidence before making a determination.

Considerations may include:

Education --factors such as denial of equal access, compared to all similarly situated persons, to institutions of higher education and vocational training, exclusion from social and professional association with students or teachers, denial of educational honors rightfully earned, and social patterns or pressures that discouraged the individual from pursuing a professional or business education.

Employment --factors such as unequal treatment compared to all similarly situated persons in hiring, promotions and other aspects of professional advancement, pay and fringe benefits, and other terms and conditions of employment; retaliatory behavior by an employer or labor union; and social patterns or pressures that have channeled the individual into non-professional or non-business fields; or

Business history – factors such as unequal access, compared to all similarly situated persons, to credit or capital, acquisition of credit or capital under commercially unfavorable circumstances, unequal treatment in opportunities for government contracts or other work, unequal treatment by potential customers and business associates, and exclusion from business or professional organizations. Other relevant evidence may be considered, but the incidents or experiences discussed in the narrative must not rely, in whole or in part, on race or sex.



The USDOT issued FAQs for the IFR which includes the following:

Should the personal narrative span the full scope of the owner's life experiences related to economic disadvantage, from childhood through to the present, including both the time before and after starting the business? (added 12/01/2025)

The personal narrative can discuss incidents and experiences of economic hardship, systemic barriers, and denied opportunities from any point in the owner's life within American society that impeded the owner's progress or success in education, employment, or business opportunities, including obtaining financing on terms available to similarly situated, non-disadvantaged persons. However, the incidents or experiences discussed in the narrative must not rely, in whole or in part, on race or sex.

Because a UCP cannot establish a deadline by which currently certified DBEs must submit the reevaluation documentation required under 49 CFR § 26.111 (Q&A C.3), at what point in time can a UCP notify DOT the reevaluation process is complete? (added 12/01/2025)

The reevaluation regulation at 49 CFR § 26.111 provides that each UCP must provide currently certified DBEs with the opportunity to submit documentation demonstrating DBE eligibility under the new standards adopted under the IFR. 49 CFR § 26.111(a)(2). The rule, however, does not establish a deadline by which currently certified DBEs must submit such documentation. See Q&A C.3. This creates a situation where a UCP may be prevented from completing the reevaluation process if a currently certified DBE delays or refrains from submitting the required documentation. To address this situation, a UCP can set a date by which currently certified DBEs should submit the required documentation.

...Currently certified DBEs that do not submit the required information by the UCP's submission date ...will remain ineligible for counting towards DBE participation



What does this mean?

Each DBE/ACDBE whose jurisdiction of certification is Alaska must submit to the AUCP the necessary documents to be recertified under an individual determination of social and economic disadvantage as a DBE/ACDBE if they wish to remain in the program.

The DBE/ACDBE program is effectively PAUSED until the AUCP can complete the reevaluation process. We cannot count any DBE participation towards any goal until ALL firms are recertified.

We need YOUR participation to un-pause the program.

We are here to HELP understand what is needed and to provide assistance.

If a DBE/ACDBE does not intend to submit the necessary documents, please withdraw from the program by emailing: dot.cro.DBECerts@alaska.gov



Key Take Aways:

If you are an Alaska DBE/ACDBE – please take steps now to comply with the recent rule change

We are here to help – please let us know what you need

If we take time to understand each others perspective, we can navigate these changes and continue to help small businesses compete on public works projects in Alaska

If you value the DBE program, I encourage you to reach out to your delegation in Washington DC to express your support for the program and to share your stories of success:

<https://www.alaska.gov/CongressDelegation.html>

Do you have any questions?