

October [___], 2025

[Insert name and address of contractor]

Dear [_____],

Please be advised that on October 3, 2025, the United States Department of Transportation (“U.S. DOT”) issued an Interim Final Rule (“IFR”) implementing changes to its Disadvantaged Business Enterprise (“DBE”) Program regulations, which are applicable to all contracts that are funded, in whole or in part, by the U.S. DOT. The contract under which you are performing receives U.S. DOT funding and, therefore, is subject to requirements related to the New York State Department of Transportation’s (“NYSDOT’s”) DBE program, which in turn is implemented pursuant to the U.S. DOT’s DBE regulations.

The IFR bears an immediate effective date as of its publication and states that DBE programs of U.S. DOT federal funding recipients (which includes NYSDOT’s DBE program), must update their terms to comply with the revised regulations. In accordance with the IFR, Unified Certification Programs (“UCPs”) like NYSDOT must then, on the basis of the revised terms, reevaluate any firm that has applied for DBE status.

The IFR provides that you are not subject to penalties for failure to meet DBE goals set forth at 49 CFR 26.47 or 49 CFR 23.57 while the reevaluation process is underway. Accordingly, NYSDOT will pause enforcement of the DBE participation requirements in your contract until further notice. Further, federal funding recipients are not able to set any contract-specific goals while the reevaluation process is underway consistent with the IFR. Accordingly, NYSDOT will not set new contract goals until further notice.

Please note that you need not take any further action at this time other than to suspend any reporting requirements you may have under your existing DBE participation provisions.

NYSDOT is committed to complying with all applicable laws and is continuing its in-depth review of the IFR. NYSDOT anticipates further direction from the U.S. DOT, which may result in additional changes to the U.S. DOT’s DBE program and the requirements that flow down to UCPs, NYSDOT and its contractors and funding and grant subrecipients. If so, the NYSDOT will provide notification of any additional changes as soon as possible.

NYSDOT remains committed to the DBE program. Neither the U.S. DOT’s DBE program nor NYSDOT’s DBE program is terminated. As provided for in the IFR, the full requirements of the DBE participation provisions will resume upon completion of the DBE recertification process called for in the IFR.

Thank you for your attention to this important matter.