

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GENERAL ELIGIBILITY CRITERIA

(49 CFR, PART 26)



- (1) The disadvantaged owner must be a citizen of the United States or have been lawfully admitted as a permanent U.S. resident.
- (2) The firm must be a small business that meets the Small Business Administration's (SBA) size standard and does not exceed the U.S. DOT limit of \$22.41 million average gross receipts for the business including its affiliates, for the preceding three years. For most Airport Concession DBEs (ACDBEs), the cap is \$52.47 million and ACDBEs dealing in car rentals is \$69.97 million (49CFR, Part 23).

The small business size standards are taken from the U.S. Small Business Administration Guideline 13 CFR, Part 121, which utilizes the North American Industry Classification System (NAICS) Code. Again, the DBE's average three year gross sales must not exceed the designated cap by U.S. DOT regardless of the SBA size standard. The SBA, for most industries, defines a "small business" either in terms of the average number of employees over the past 12 months, or average annual receipts over the past three years.

To help small business owners assess their small business status, SBA has established a Table of Small Business Size Standards, which is matched to the [North American Industry Classification System \(NAICS\)](#) for industries.

- (3) The business must independent, viable and For-Profit.
- (4) The business may be a sole proprietorship, limited liability, partnership, corporation or any other legal form of organization.
- (5) The business must be at least 51% owned and controlled by a socially and economically disadvantaged person.
 - (a) *Economically disadvantaged mean an individual's personal net worth falls under \$1.32 million, excluding the applicant's ownership interest in the applicant firm and the equity in the applicant's primary residence.*
 - (b) *Socially disadvantaged individuals mean an individual who is a member of one of the following groups:*
 - (i) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;
 - (ii) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - (iii) "Native American," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

- (iv) "Asian-Pacific Americans," which includes Persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated State of Micronesia, or Hong Kong;
- (v) "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
- (vi) Women
- (vii) Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

(6) The firm's ownership by socially and economically disadvantaged individuals must be real, substantial and continuing, going beyond pro forma ownership of the firm.

(7) The applicant must control the management and daily operations of the business and must possess the power to direct or cause the direction to the management and policies of the firm and to make day to day, as well as long term decisions on matters of management, policy and operations.

For additional information about the DBE Program, please visit U.S. DOT, [Office of Small and Disadvantaged Business Utilization](#).