



June 27, 2025

Dear Federal Contractor:

On January 21, 2025, President Donald Trump issued Executive Order 14173, “Ending Illegal Discrimination and Restoring Merit-Based Opportunity.” At the core of the American promise of equal opportunity in employment is that one’s race or sex should not impact one’s ability to be hired, promoted, or paid a fair wage. EO 14173 both reaffirmed the central importance of federal non-discrimination laws based on race, color, religion, sex, or national origin and also took decisive action to ensure the promises of those laws are upheld. EO 14173 ensures this by eliminating reliance upon unlawful, unfair, and unsafe discriminatory practices, including those labeled as Diversity, Equity, and Inclusion (DEI), and revokes executive orders that implemented or encouraged the adoption of such unlawful practices. Significantly, EO 14173 rescinded Executive Order 11246, which imposed affirmative action requirements on federal contractors, and which the Office of Federal Contract Compliance Programs (OFCCP) previously enforced.

OFCCP, through its EO 11246 regulations and enforcement activities, had imposed on federal contractors onerous and costly data collection, compliance mandates, and reporting requirements. Among these regulations was the requirement that federal contractors (in certain circumstances) use placement goals based on race or sex in recruitment and employment decisions. Although OFCCP’s regulations expressly prohibited unlawful discrimination or disparate treatment and stated that the regulatory placement goals should not operate as quotas—functionally, many federal contractors improperly engaged in such conduct in reaction. In short, these regulations requiring that federal contractors engage in workforce balancing and use placement goals to benefit certain individuals may have led contractors to engage in unlawful disparate treatment based on race and sex in hiring and employment decisions.

OFCCP’s regulations, including those encouraging discrimination labeled as “affirmative action” and the use of placement goals, have long been vulnerable to legal challenge. President Trump’s rescission of EO 11246, which also nullified the EO 11246-based regulations, restores meritocracy and non-discrimination in federal contractor hiring and employment decisions. To that end, Executive Order 14173, Section 3(b)(i), permitted federal contractors to “continue to comply” with “the [EO 11246] regulatory scheme in effect on January 20, 2025” for only “90 days from the date of this order.” The deadline to wind down compliance was April 21, 2025.

A part of OFCCP’s obligations under EO 14173, Section 3(b)(ii), is to ensure that OFCCP is no longer allowing federal contractors to engage in workforce balancing based on protected characteristics or requiring federal contractors and subcontractors to take “affirmative action.” OFCCP now offers federal contractors the opportunity to provide information about their efforts

to wind down compliance with the EO 11246 regulatory scheme and ensure full compliance with the Nation's non-discrimination laws. Because each federal contractor's affirmative action compliance measures were unique, and dependent on the contractor's designated category (Supply and Service or Construction), the range of contractor wind down efforts vary. Thus, OFCCP is providing all federal contractors with the opportunity to volunteer information in narrative form about what actions they have taken in response to EO 14173. This opportunity allows the federal contractor community to share information, if they choose to, about how they have implemented EO 14173; but please know that the content, format, and decision to provide any information is completely up to the contractor. Further instruction on how to provide this voluntary information is available on OFCCP's Contractor Portal.

In considering what information they may want to provide, federal contractors should examine their previous affirmative action plans or efforts they had undertaken in response to OFCCP's prior regulatory requirements. For example, federal contractors who used placement goals for certain job groups based on race or sex may wish to provide information demonstrating that they have discontinued these practices. Similarly, federal contractors who as part of their affirmative action efforts had been providing certain employment opportunities or undertaking recruitment efforts based on race or sex may wish to provide information reflecting the discontinuation of these practices.

Federal contractors may also want to provide information confirming: (1) that they have reviewed their EO 11246 affirmative action efforts; (2) whether they believe any modifications to employment and recruitment practices are necessary; and (3) if so, what those changes are and steps the federal contractor has taken to modify those practices. Examples of practices that federal contractors may have undertaken may want to provide information as to the current status include: making trainings, sponsorship programs, leadership development programs, educational funding, or other privileges of employment available only to employees of a certain race or sex; placement goals that were based on race or sex; ratings by diversity organizations that graded employers on factors that included the provision of resources designed to promote the rise of non-white, non-male employees; using applicants' or employees' participation in race- or sex-related (internal or external) groups or organizations as a "plus factor" or proxy for race or sex in employment and hiring decisions; tying executive compensation to meeting race- or sex-based hiring, promotion, retention, representation, or other employee-demographic-related goals; mandating courses, orientation programs, or trainings that are designed to emphasize and focus on racial stereotypes; and encouraging employees to make recruitment efforts to or employment referrals of certain candidates based on race or sex.

Federal contractors may find it useful to consult the recent technical assistance guidance issued by the Department of Justice and Equal Employment Opportunity Commission on what constitutes unlawful discrimination at work.^{1 2 3}

OFCCP will provide a 90-day window from the date of this letter for federal contractors to voluntarily provide information in response to this letter.

Sincerely,

A handwritten signature in blue ink, reading "Catherine Eschbach".

Catherine Eschbach
Director

¹ [EEOC and Justice Department Warn Against Unlawful DEI-Related Discrimination](https://www.eeoc.gov/newsroom/eeoc-and-justice-department-warn-against-unlawful-dei-related-discrimination)

(<https://www.eeoc.gov/newsroom/eeoc-and-justice-department-warn-against-unlawful-dei-related-discrimination>)

² [What To Do If You Experience Discrimination Related to DEI at Work](https://www.eeoc.gov/what-do-if-you-experience-discrimination-related-dei-work) (<https://www.eeoc.gov/what-do-if-you-experience-discrimination-related-dei-work>)

³ [What You Should Know About DEI-Related Discrimination at Work](https://www.eeoc.gov/wysk/what-you-should-know-about-dei-related-discrimination-work) (<https://www.eeoc.gov/wysk/what-you-should-know-about-dei-related-discrimination-work>)