



Design Bulletin

Division of Project Support
Project Development Branch
Design Program

Federal Restrictions on Foreign Drones
2026 Number 2, Page 1 of 2
Date: January 15, 2026

Federal Restrictions on Foreign Drones

On Dec. 18, 2025, applicable to all Colorado recipients of Federal Aid Highway Program Funds, the United States Department of Transportation (USDOT) released a letter covering Unmanned Aerial Systems (UAS) procurement and use. This applies to all federal-aid projects including Local Agency projects with federal aid pass-through.

Effective Dec. 22, 2025, Federal Highway Administration (FHWA) funds (including grants, loans, and cooperative agreements) shall no longer be used to procure, operate or maintain UAS equipment manufactured by covered foreign entities including the People's Republic of China. This includes any aircraft, flight controller, camera, or ground control station supplied by a manufacturer that is based in, or subject to the control of, a foreign adversary country. Covered entities may be found at: [International Trade Administration – Consolidated Screening List](#).

The following actions are required:

1. Stop Procurements:
Ensure no pending orders for this equipment will be paid for with federal funds.
2. Cease Operations:
If your existing fleet includes these covered UAS, you must cease their operation, maintenance, or data processing on any FHWA funded project or grant.
3. Document Compliance:
If you are administering a project with FHWA funding and UAS operations, you must obtain a written certification from any contractor operating a UAS stating that their equipment meets the requirements of the USDOT memo and applicable laws. This will apply to new operations on projects and will not be applied retroactively.

USDOT also recommends separating existing equipment from covered foreign entities to prevent accidental use on projects with federal funds.

Additional information can be found in the attached letter from the USDOT.



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Compliance Requirements

Project managers of any design project with Federal Funding must ensure compliance with this requirement and document compliance. The following draft email shall be sent to any design consultants using Unmanned Aerial Systems (UAS) on these projects. The consultant's affirmative reply email will be retained in the project records for the duration of the project.

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Effective Dec. 22, 2025, Federal Highway Administration (FHWA) funds (including grants, loans, and cooperative agreements) shall no longer be used to procure, operate or maintain UAS equipment manufactured by covered foreign entities including the People's Republic of China. This includes any aircraft, flight controller, camera, or ground control station supplied by a manufacturer that is based in, or subject to the control of, a foreign adversary country. Covered entities may be found at:
<https://www.trade.gov/consolidated-screening-list>.

To ensure compliance with applicable Federal regulations please reply to this email with the following statement. Your affirmation will be retained in the project file and will be provided to the FHWA upon their request.

"[Your Company Name] affirms that all UAS used on this project comply with the requirements of the "American Security Drone Act of 2023, Federal Office of Management and Budget memorandum M-26-02, and all CDOT requirements".

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U.S. Department
of Transportation
**Federal Highway
Administration**

Colorado Division

December 18, 2025

12300 W. Dakota Ave., Suite #180
Lakewood, Colorado 80228
720-963-3000

In Reply Refer To:
HDA-CO

Subject: New Federal Restrictions on Foreign Drones (Effective Dec 22, 2025)

To All Colorado Recipients of Federal Aid Highway Program Funds

We are writing to notify you of immediate changes to federal regulations that impact the use of Unmanned Aircraft Systems (UAS) supported by FHWA funding.

Effective December 22, 2025, the *American Security Drone Act of 2023* (ASDA) and OMB Memorandum M-26-02 strictly prohibit the use of federal funds for UAS manufactured by covered foreign entities.

What You Need to Know:

- **The Ban:** You may no longer use FHWA funds (including grants, loans, or cooperative agreements) to procure, operate, or maintain "covered UAS."
- **What is "Covered":** This includes any aircraft, flight controller, camera, or ground control station supplied by a manufacturer that is based in, or subject to the control of, a foreign adversary country, specifically the People's Republic of China.
- **Effective Date:** This prohibition applies to all costs incurred after **December 22, 2025**.

Required Actions:

1. **Stop Procurements:** Ensure no pending orders for this equipment will be paid for with federal funds.
2. **Cease Operations:** If your existing fleet includes these covered UAS, you must cease their operation, maintenance, or data processing on any FHWA funded project or grant.
3. **Segregate Assets:** We recommend physically quarantining these devices to prevent accidental use on federally funded projects.

Please ensure this notification is shared with your procurement and flight operations teams immediately to avoid unallowable costs.

If you have specific questions about eligibility or inventory, please contact Andy Wilson at Andrew.Wilson@dot.gov, via phone (720) 963-3030.

Sincerely,

JOHN MARTIN
CATER

 Digitally signed by JOHN
MARTIN CATER
Date: 2025.12.18 16:31:24
-07'00'

John M. Cater, P.E.
Division Administrator