U.S. Supreme Court Overrules *Chevron* Doctrine

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On June 28, 2024, the Supreme Court of the United States issued a landmark decision in *Loper Bright Enterprises v. Raimondo* overruling a 40-year-old precedent known as the "*Chevron* Doctrine" that required courts to defer to reasonable federal agency interpretations of ambiguous statutes. This decision has the potential to bring about a sea change in the way courts decide future challenges to federal agency rules and regulations.

The *Chevron* Doctrine comes into play when a federal agency's interpretation of a statute is challenged. For example, if an agency, such as the USEPA, issues a regulation that defines a term in one of its governing statutes, such as the Clean Air Act, and the regulation gets challenged, a court would use the *Chevron* Doctrine to decide the case.

The *Chevron* Doctrine required the court reviewing the federal agency's interpretation to take a two-step approach to decide whether the agency got it right. At step one, the court had to decide whether the statute was ambiguous—if the statute was clear on its face, the court had to apply the plain language of the statute. If the court concluded, however, that the statute was silent or ambiguous with respect to the specific issue, the court had to proceed to *Chevron*'s second step. At step two, the court should defer to an agency's reasonable interpretation of the statute.

For example, in the case that first announced the *Chevron* Doctrine, *Chevron U. S. A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U. S. 837 (1984), the Court had to decide whether USEPA had properly interpreted the term "stationary source" in the Clean Air Act. There, at step one, the *Chevron* Court determined that the Clean Air Act did not address the question at issue with enough specificity and then, proceeding to step two, the Court determined that USEPA's interpretation was reasonable and therefore entitled to deference.

In the forty years since the *Chevron* Doctrine was first announced, subsequent court decisions have made various tweaks to the original two-step test. This has led to different applications of the *Chevron* Doctrine among the lower courts, or even courts not applying the

Doctrine at all. As the majority in *Loper Bright* acknowledges, the Supreme Court has not applied the *Chevron* Doctrine since 2016.

In *Loper Bright*, the Court officially overruled the *Chevron* Doctrine. The Court determined that the deference the *Chevron* Doctrine requires of courts reviewing federal agency actions cannot be squared with the Administrative Procedure Act (APA). Among other things, the APA provides standards for judicial review of challenges to federal agency actions, and requires a reviewing court to "decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action." 5 U. S. C. §706. Rejecting the Government's argument that courts should defer to agency subject matter expertise when a statute is unclear, the Court held that "[c] ourts must exercise their independent judgment in deciding whether an agency has acted within its statutory authority, as the APA requires."

The Court emphasized, however, that past decisions that relied on the *Chevron* Doctrine to determine that specific federal agency actions were lawful—including the Clean Air Act holding of the original 1984 *Chevron* decision—are still valid.

If you have questions about the U.S. Supreme Court's overruling of the *Chevron* Doctrine, please contact your Vorys attorney.

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