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Supreme Court Overrules *Chevron* Doctrine

A Federal Court No Longer May Defer to an Agency's Interpretation of an Ambiguous Statute and Instead Must Itself Determine the Proper Interpretation

SUMMARY

The Supreme Court today overruled the doctrine of *Chevron* deference in the companion cases of *Loper Bright Enterprises v. Raimondo* and *Relentless, Inc. v. Dep't of Commerce*.¹ The Supreme Court's 1984 *Chevron* decision² had required courts to defer to an agency's reasonable interpretation of an ambiguous statute that the agency is charged with implementing. The Supreme Court held instead that courts must exercise their independent judgment in determining the meaning of a statute and whether an agency has acted within its statutory authority.

THE SUPREME COURT'S DECISION

The Court's six-Justice majority opinion, written by Chief Justice Roberts, concluded that *Chevron* deference is incompatible with the Administrative Procedure Act, which prescribes "that 'the reviewing court'—not the agency whose action it reviews—is to 'decide *all* relevant questions of law' and 'interpret . . . statutory provisions.'"³ The Court reasoned that, under the APA, a court must "exercise [its] independent judgment" in interpreting the law.⁴ It rejected the premise that when a statute is silent on an issue, courts should construe that silence as an implicit delegation to the agency to resolve the issue.

The Supreme Court noted, however, that a court should carefully consider the agency's view of the statute, and a contemporaneous and consistent agency interpretation may "be especially useful in determining the statute's meaning."⁵ But, just as in any other case about an ambiguous statute that does not involve an agency, the court must itself determine the statute's meaning rather than defer to any other party.

IMPLICATIONS

The demise of *Chevron* reduces the power of federal regulators in several ways. First, agencies will have to hew more closely to the statutes they interpret. Congress may *explicitly* delegate discretion to agencies to select among certain policies or rules, but statutory silence will no longer have this effect, and statutory directives will be given their single best meaning. Second, agencies will have less latitude to change prior interpretations of statutes because the new interpretation must be more than “permissible”; it must be correct. And once courts have settled what that correct interpretation is, there is no room for an agency to change its position.

The decision does not open up for re-examination all previous cases decided under a *Chevron* regime. Rather, the Court indicated that it would continue to follow its prior decisions regarding the meaning of particular statutory provisions, even if it had invoked *Chevron* in those cases to defer to the meaning offered by the agency.⁶ It noted that statutory stare decisis—which is a particularly steep hurdle to overcome—would apply to those decisions.

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ENDNOTES

- 1 603 U.S. ____ (2024).
- 2 *Chevron U.S.A., Inc. v. Natural Resources Defense Council*, 467 U.S. 837 (1984).
- 3 603 U.S. at ____ (slip op. at 21) (quoting 5 U.S.C. § 706).
- 4 *Id.* at 16.
- 5 *Id.* at 16–17.
- 6 *Id.* at 34–35.

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