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Supreme Court of the United States – 2023-24 Term Summary of Two Relevant Cases

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Presentation for the Natural Resources, Agriculture, and Environment Interim Committee

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Opinion Summaries

Chevron Deference:

Loper Bright Enterprises v. Raimondo (D.C. Cir.)
Relentless v. Department of Commerce (1st Cir.)

Good Neighbor Rule:

Ohio v. Environmental Protection Agency



Chevron Deference:

Loper Bright Enterprises v. Raimondo Relentless v. Department of Commerce

Background

- In 1984, SCOTUS provided a framework (known as Chevron Deference) for federal courts to apply when deciding whether to defer to a federal agency's interpretation of a federal statute.
- Under Chevron Deference, a federal court was required to accept an agency's interpretation of a federal statute if the agency administers the statute, the statute is ambiguous or silent, and the agency's interpretation is reasonable.



Chevron Deference:

Loper Bright Enterprises v. Raimondo Relentless v. Department of Commerce

Holding

- SCOTUS, in a 6-3 opinion, overruled the Chevron Deference doctrine.
- Going forward, federal courts must exercise independent judgment when deciding whether an agency has acted within the agency's statutory authority.



Chevron Deference:

Loper Bright Enterprises v. Raimondo Relentless v. Department of Commerce

Reasoning

- Chevron Deference is inconsistent with the Administrative Procedures Act, which codifies "that courts decide legal questions by applying their own judgment" and "courts, not agencies, will decide all relevant questions of law arising on review of agency action."
- SCOTUS stated that Chevron Deference was "fundamentally misguided" and "an impediment, rather than an aid, to accomplishing the basic judicial task of saying what the law is."



Chevron Deference: Loper Bright Enterprises v. Raimondo Relentless v. Department of Commerce

Impact

- In the 2024 General Session, the Legislature passed H.B. 470 requiring various state agencies to report to the Utah Attorney General before January 1, 2025, any federal regulation impacting those agencies that received Chevron Deference in the respective federal agency's interpretation of the statute.
- H.B. 470 permits the attorney general to file suit challenging a federal regulation impacted by Chevron Deference if the attorney general determines that the state will succeed in its challenge.
- SCOTUS clarified that prior decisions granting Chevron Deference are not automatically reversible, which may impact the attorney general's determination of whether a federal regulation can be successfully challenged.



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Good Neighbor Rule: Ohio v. Environmental Protection Agency

Background

- In 2015, the EPA adopted the Good Neighbor Rule, which revised air-quality standards for ozone and required states to prevent emissions that significantly contribute to air quality problems in downwind states. When the EPA adopts a new standard, federal law requires the states to submit a new State Implementation Plan (“SIP”) detailing how they will implement, maintain, and enforce the new standard.
- In February 2022, the EPA announced it would reject the SIPs of 19 states, including Utah, relating to the Good Neighbor Rule, arguing the plans failed to adequately address obligations under the Clean Air Act’s “Good Neighbor Provision.” The EPA then proposed a single Federal Implementation Plan to cover 23 states.



Good Neighbor Rule: Ohio v. Environmental Protection Agency

Holding

SCOTUS, in a 5-4 opinion, ruled that the EPA's enforcement of the Federal Implementation Plan ("FIP") for its 2015 ozone rule ("Good Neighbor Rule") is stayed pending the resolution of the many suits challenging the FIP and the Good Neighbor Rule currently before the D.C. Circuit Court.



Good Neighbor Rule: Ohio v. Environmental Protection Agency

Reasoning

- The EPA's decision not to address specific state concerns during the rulemaking process meant the process was "arbitrary and capricious."
- Specifically, the EPA did not explain why the emissions-control measures required by the FIP should still apply even if fewer states remained in the FIP, which eventually happened as some states successfully challenged the FIP.



Good Neighbor Rule: Ohio v. Environmental Protection Agency

Impact

- This decision pauses the enforcement of the FIP by the EPA pending review in the D.C. Circuit Court and any further SCOTUS proceedings.
- This outcome is merely a procedural delay while a lower court considers the merits of the case. However, the SCOTUS majority was clear in its opinion that “EPA’s final FIP likely runs afoul of long-settled standards.”
- As it stands, until the D.C. Circuit Court rules on the merits, Utah is not subject to EPA enforcement of the ozone FIP, but the FIP has not yet been officially tossed out.



SCOTUS 2023 Term Summary

Questions

