

The U.S. Supreme Court Overturns the Prior Deference Granted to Federal Agencies in Interpreting an Ambiguous Statute: The Chevron Deference Overruled

Chevron deference was a legal principle established by the Supreme Court in 1984, allowing courts to rely on federal agencies' expertise to interpret ambiguous or unclear laws within their specific areas. The idea was that agencies, with specialized knowledge, were often better suited to determine how these laws should be applied.

However, in June 2024, the Supreme Court's decision in *Loper Bright v. Raimondo* overruled Chevron deference, shifting the responsibility back to the courts to interpret ambiguous laws directly, rather than deferring to agencies' interpretations. The Court determined that Chevron deference gave federal agencies too much influence over legal interpretation, disrupting the balance of power among the branches of government.

Chevron overruling is expected to have widespread effects:

- **For Federal Agencies:** Agencies may become more cautious in creating new rules, aware that their interpretations will face greater scrutiny from the courts.
- **For Businesses:** Companies now have new avenues to challenge agency decisions but may face more uncertainty around compliance as they navigate shifting interpretations without the consistency agencies previously provided.
- **For Courts:** While courts will still value agencies' expertise on technical matters, they won't automatically defer, which could lead to more nuanced and potentially varied regulatory impacts across cases.