



SEMAPHORE

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Understanding the Overturn of the Chevron Deference

In recent discussions with public policy experts Ken Nahigian, Balancing Act Project, and Mark Ruge, K&L Gates, *WorkBoat Magazine* explored the Supreme Court's decision to overturn Chevron deference (*Loper-Bright*), a legal principle that has significantly influenced how federal agencies interpret laws for nearly 40 years.

A K&L Gates [article](#) explains that the *Loper Bright Enterprises v Raimondo* ruling, issued on June 28, significantly alters administrative law by removing the requirement for courts to defer to agency interpretations of ambiguous statutes. Courts are now required to use "independent judgment" in interpreting statutes, though they can still consider well-reasoned or longstanding agency interpretations.

Nahigian broke down the ruling in a straightforward manner, examining its implications for administrative law and governance.

The ruling originated from a 1984 Supreme Court case, where the Court decided that if a law is ambiguous, courts should defer to the interpretations of administrative agencies charged with enforcing that law.

The two-part test established by Chevron essentially asks:

- Is the law clear on what Congress intended?
- If it's ambiguous, is the agency's interpretation reasonable?

Nahigian noted that this ruling allowed agencies (such as the EPA or the Coast Guard) considerable leeway in interpreting laws, which critics argue shifted significant power away from Congress and the judiciary.

Ruge emphasized the significance of Chevron and that the principle has influenced thousands of cases over the years. "There's been something like 70,000 cases that have cited Chevron," he noted, illustrating its pervasive role in legal proceedings.

With the recent overturn, courts are now positioned to scrutinize agency actions more rigorously. Nahigian explained, "This ruling restores more power to the people who are regulated by these agencies. It's a good thing. Everybody's going to have to be better now."

It hasn't taken long for the *Loper-Bright* ruling to take effect. Since the decision, Ruge noted that there have already been around 200 federal cases citing it, indicating its immediate impact. "These cases are across the board, and we're really just at the beginning of this wave," he said.

So why is *WorkBoat Magazine* writing about this case?

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The conversation touched on the potential ripple effects across various sectors. Ruge mentioned a study that found a significant correlation between awareness of Chevron deference and agency behavior. “Eighty percent of agency officials said they were more likely to adopt aggressive interpretations when Chevron was in play,” he noted. “With the overturning of Chevron, those same officials may approach their authority more cautiously.”

As the legal landscape evolves, stakeholders in the maritime industry will need to closely examine how this ruling affects specific statutes.

When asked about the ruling’s potential effects on shipyards, vessel owners and operators, Ruge remarked, “I think the potential effect on everybody is large.” He pointed out that the recent changes could significantly alter how agencies like the EPA [Environmental Protection Agency] and Coast Guard enforce regulations. “For shipyard owners facing extensive regulatory burdens, this ruling could mean more opportunities to challenge agency actions,” Ruge explained.



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Nahigian emphasized the same sentiments, especially when asked specifically about shipyards facing stringent environmental regulations by the EPA. “They can look at whether or not Congress actually authorized the EPA to set these standards, or did the EPA exceed its authority and set these standards.” This change is not an anti-regulation stance but a call for accountability. As Nahigian stated, “This is not about being for or against regulation for any particular issue, it’s about whether regulators are exceeding the authority granted to them under the law.”

As stakeholders begin to navigate this new landscape, understanding the implications for specific regulations will be crucial. As this situation unfolds, ongoing dialogue and analysis will be essential for those affected by these significant legal shifts.

As the balance of power shifts back to the courts, Nahigian stressed that the responsibility now lies with Congress to clarify laws and ensure that agencies operate within their intended boundaries. He discussed the Balancing Act Project, which aims to facilitate discussions among stakeholders – industries, policymakers, and advocacy groups – saying, “We view this as 100% bipartisan ... it benefits everybody to have a rebalancing of our government where decisions on policy are being made by people closest to the voters.”

By convening various interests, the project seeks to foster a bipartisan dialogue on how to restore balance in governance and ensure that regulations are both effective and accountable.

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