

Chevron and the Future of the American Regulatory Regime

Safwan Raslan

25 November 2024

Earlier this year, the Supreme Court of the United States (SCOTUS) decided to overturn a decades-old decision from the 1984 case, *Chevron v Natural Resources Defense Council*, which gave rise to the "Chevron Doctrine".

Per this doctrine, courts were required to endorse the legal interpretations of a bureaucratic agency in the absence of clarification from Congress. This has enabled agencies such as the Environmental Protection Agency and the National Marine Fisheries Service to go almost unchecked in their enforcement of vaguely worded legislation, with the doctrine being cited over 18,000 times by federal courts.

In this 35-page ruling, Chief Justice John Roberts rejected the Chevron Doctrine, stating that he and the five other justices in the 6-3 majority found it "fundamentally misguided". It is also expected that SCOTUS will rule on when the statute of limitations to challenge agencies to act on their interpretations begins to run. This may potentially pave the way for some rather belated legal challenges.

The consequences of this decision remain to be seen, however by easing the regulatory burden on businesses throughout the United States, it can be anticipated that a myriad of new startups will become practical, and corporations like Chevron will be able to further accelerate new technologies and become a more dominant force in the energy sector.

These consequences of this decision have only been emboldened by the result of the recent presidential election. President-elect Trump has pledged to cut the size of the federal regulatory regime in an effort to challenge what has been referred to as a 'deep state' and to reduce government spending. Furthermore, the President-elect has announced plans to appoint Tesla and SpaceX founder Elon Musk and entrepreneur Vivek Ramaswamy as heads of a new Department of Government Efficiency (DOGE), with hopes of swiftly downsizing the regulatory state and returning powers to elected officials and state governments. These radical changes are expected to be put in place immediately after inauguration day on January 20th.