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## ADVOCACY UPDATE

### Recent Supreme Court Decision on Agency Law Interpretation

The Supreme Court recently issued a decision that changed the precedent set by the 1984 *Chevron v. Natural Resources Defense Council* ruling. While altering the dynamics, this new ruling also opens opportunities. It empowers courts to rely more on their own interpretations, potentially leading to more flexibility and innovation in the industry.

#### Key Points of the Ruling:

- The decision was made with a 6-3 majority to overrule the *Chevron* doctrine.
- Chief Justice John Roberts described the *Chevron* doctrine as "fundamentally misguided."
- Justice Elena Kagan, dissenting, expressed concerns about the potential "massive shock to the legal system" due to the loss of agencies' interpretative priority, emphasizing the specialized knowledge agencies bring to regulatory enforcement.

#### Implications for AMPP Members:

The decision could have mixed effects on industries regulated by agencies such as PHMSA, OSHA, EPA, and BSEE:

1. **Potential for More Legal Clarity:** Courts may now provide more definitive rulings on regulations, which could reduce long-term legal ambiguities.
2. **Compliance and Operational Uncertainty:** Businesses might experience uncertainty in compliance requirements as courts take over interpretation duties, impacting planning and operations.
3. **Changes in Regulatory Approach:** Agencies might adopt a more conservative approach in rulemaking, potentially affecting the speed and nature of new regulations and updates crucial for maintaining industry standards.

#### Potential Benefits and Challenges:

- **Benefits:** Some industry members might welcome the decision, as it could reduce what they see as overregulation, grant more flexibility, and potentially foster innovation.
- **Challenges:** Others might be concerned about the increased burden of navigating through more frequent legal disputes and the unpredictability of compliance standards.

This Supreme Court decision marks a significant shift in the relationship between the judiciary and regulatory agencies, with implications that will unfold as the new standards are applied.

Stay informed and contact our regulatory affairs team at [Government Affairs - AMPP](#) or [Tim Gonzalez](#).