

Statutory Interpretation in Administrative Law: The Chevron Deference Doctrine

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Abstract

Statutory interpretation plays a critical role in administrative law, determining how courts interpret laws and regulations. One of the most influential doctrines in this regard is the Chevron deference doctrine, which has significantly shaped the relationship between administrative agencies and courts. This paper examines the Chevron deference doctrine, exploring its origins, application, criticisms, and its evolving role in administrative law. By understanding the Chevron framework, this paper aims to provide insights into how courts approach statutory interpretation when reviewing agency decisions and how this impacts the balance of power between the judiciary, legislature, and executive agencies.

Introduction

Administrative agencies in the United States play a pivotal role in interpreting and enforcing statutory mandates provided by Congress. However, determining how much deference courts should give to these agencies' interpretations of statutes is a complex legal question. The Chevron deference doctrine, established by the Supreme Court in *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984), has provided a framework for resolving this issue.

This paper will explore:

1. The origins and reasoning behind the Chevron doctrine.
2. The two-step framework for Chevron deference.
3. The doctrine's application in administrative law.
4. Criticisms and arguments for reform or limitation of Chevron deference.
5. Recent developments in Chevron's scope and its future in American jurisprudence.

Origins and Rationale of the Chevron Deference Doctrine

The Chevron deference doctrine emerged from the 1984 Supreme Court case *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, marking a significant turning point in how courts interact with administrative agencies. The origins and rationale of this doctrine can be better understood by examining the legal, historical, and practical contexts that led to its creation.

1. The Chevron Case: Legal Context and Background

The Chevron case arose in the context of the Clean Air Act (CAA), a federal law aimed at controlling air pollution. The Environmental Protection Agency (EPA), tasked with enforcing the CAA, had adopted a regulation allowing states to treat entire industrial complexes as a single "source" of pollution rather than regulating each smokestack or emission point individually. This regulatory approach was challenged by the Natural Resources Defense Council (NRDC), which argued that the Clean Air Act required stricter interpretations of what constitutes a "source."

The key issue for the Supreme Court to resolve was whether courts should give deference to the EPA's interpretation of the term "source" under the Clean Air Act. The statute itself was ambiguous, as Congress had not clearly defined the term in the context of this regulation. This ambiguity set the stage for the Court to craft a new doctrine of deference to agency interpretations.

2. Judicial Precedents Leading to Chevron

The Chevron decision was not created in a vacuum; it was built on previous cases and legal concepts concerning the proper role of courts in reviewing agency interpretations of statutes. Historically, the judiciary had grappled with how much deference should be given to administrative agencies, which are part of the executive branch but often possess quasi-legislative and quasi-judicial powers.

Before Chevron, courts employed various methods of reviewing agency decisions, but there was no consistent standard for how much deference should be afforded to agency interpretations of ambiguous statutes. For instance:

- *Skidmore v. Swift & Co.* (1944): In this case, the Court held that agency interpretations are not binding on courts but should be given "respect" based on the agency's expertise, consistency, and reasoning. This case laid the groundwork for *Chevron*, but it provided a more discretionary approach to deference, allowing courts to weigh the persuasiveness of an agency's interpretation.
- *Hearst Publications v. NLRB* (1944): The Court, in upholding an agency's interpretation of the term "employee" under the National Labor Relations Act, acknowledged that agencies have specialized expertise in their respective fields. This reinforced the notion that agencies may be better suited to interpret statutes within their domain.

Chevron synthesized these earlier approaches and provided a clearer, more structured framework for judicial deference, emphasizing deference to reasonable agency interpretations of ambiguous statutes.

3. The Chevron Doctrine's Two-Step Framework

The Court's ruling in *Chevron* established a two-step framework that courts must follow when reviewing agency interpretations of statutes:

- **Step One: Has Congress Directly Spoken to the Issue?** In the first step, the court must determine whether Congress's intent is clear. If the statutory language is clear and unambiguous, the court must apply the statute as written, and no deference is given to the agency. The judiciary retains its traditional role in interpreting unambiguous statutes.
- **Step Two: Is the Agency's Interpretation Reasonable?** If the statute is ambiguous or silent on a particular issue, the court moves to the second step. Here, the court must determine whether the agency's interpretation is "reasonable." If the interpretation falls within a reasonable range, the court should defer to the agency's expertise, even if the court might have interpreted the statute differently.

This two-step test has become the hallmark of Chevron deference and has fundamentally shifted the balance of power between courts and agencies. By requiring courts to defer to reasonable agency interpretations, the Supreme Court signaled its trust in administrative agencies to resolve ambiguities within their regulatory domain.

The Two-Step Chevron Framework

The Chevron deference doctrine established a structured framework for courts to follow when reviewing an administrative agency's interpretation of a statute it administers. This framework, known as the two-step Chevron test, was created to balance the expertise of administrative agencies with the judiciary's role in ensuring that agencies operate within the limits of statutory authority. Below, the two-step Chevron

framework is elaborated in detail, including the reasoning behind each step and how it has been applied in practice.

1. Step One: Has Congress Directly Spoken to the Issue?

The first step of the Chevron framework requires the court to determine whether Congress has directly addressed the precise question at issue in the statute. This step focuses on the clarity of the statutory language. If Congress's intent is clear, there is no ambiguity to interpret, and both the court and the agency must follow the statute as written.

a. The Role of Judicial Statutory Interpretation in Step One

In Step One, the court engages in traditional tools of statutory construction to determine whether the statutory language is clear and unambiguous. This involves:

- Textual analysis: Examining the plain meaning of the words used in the statute.
- Contextual interpretation: Considering the broader statutory scheme, other provisions within the same statute, and any legislative history that may clarify the statute's meaning.
- Canons of construction: Employing established legal principles that guide how courts should interpret ambiguous or unclear statutory text, such as the rule that statutes should be interpreted to avoid rendering any provision superfluous.

If, after applying these tools, the court finds that Congress has clearly resolved the issue, no deference is given to the agency's interpretation. The court's role at this stage is to ensure that the agency is correctly applying the law, not to weigh the reasonableness of the agency's policy judgments.

2. Step Two: Is the Agency's Interpretation Reasonable?

If the court determines that the statute is silent or ambiguous on the issue in question, it proceeds to Step Two. In this step, the court assesses whether the agency's interpretation of the statute is "reasonable" or "permissible." Step Two is where deference to the agency's expertise comes into play.

a. Reasonableness Standard in Step Two

At Step Two, the court is not asking whether the agency's interpretation is the best or most correct interpretation, but rather whether it is a reasonable interpretation of the ambiguous statutory text. The court will uphold the agency's interpretation if it is:

- Rational: The agency must present a logical explanation that fits within the statutory framework.
- Consistent with the statutory purpose: The interpretation should align with the objectives and goals of the statute as enacted by Congress.
- Not arbitrary or capricious: The agency's interpretation must be grounded in reason, evidence, and sound policy, rather than being arbitrary or unsupported.

The doctrine's application in administrative law.

The Chevron deference doctrine has become one of the most influential principles in administrative law, shaping the way courts review administrative agency interpretations of statutes. Since its inception in *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.* (1984), the doctrine has been applied across a wide range of regulatory fields, including environmental law, labor law, telecommunications, healthcare, and more. This section will explore how the Chevron doctrine is applied in administrative law, with a focus on the practical workings of the doctrine, key case examples, and how courts determine the scope of deference.

1. Chevron's Role in Judicial Review of Agency Decisions

The Chevron doctrine plays a central role in judicial review by establishing when courts should defer to

agency interpretations of statutes. The core idea is that administrative agencies, as experts in their respective fields, are often better equipped to interpret ambiguous statutory provisions than courts. When a statute is ambiguous, and the agency's interpretation is reasonable, courts are required to defer to the agency's judgment, rather than imposing their own interpretation of the law.

Chevron deference applies primarily to questions of statutory interpretation—that is, when an agency interprets a statute that it is responsible for administering. It does not apply to every agency action; for instance, it is not applicable when an agency's interpretation involves constitutional questions or when the statute is clear and unambiguous, in which case courts will apply the law as written.

2. Types of Agency Actions Subject to Chevron Deference

Agencies engage in a variety of actions that might involve statutory interpretation, including:

- **Rulemaking:** When agencies issue regulations or rules, they are interpreting the statutes that authorize them to regulate. Courts often apply Chevron deference when reviewing these rules, especially when the statute contains ambiguous language or gaps for the agency to fill.
- **Adjudication:** Agencies sometimes make decisions through adjudicative processes, such as issuing orders or rulings on specific cases. In such instances, courts may apply Chevron deference to the agency's interpretation of the statute as it applies to the particular case.
- **Guidance and Interpretive Statements:** Agencies sometimes issue guidance documents, policy statements, or interpretive rules that explain how they intend to apply a statute. While these types of actions might receive less deference than formal rulemaking, courts may still apply Chevron if the agency's interpretation is reasonable and falls within its authority.

Criticisms and Arguments for Reform or Limitation of Chevron Deference

The Chevron deference doctrine has been subject to significant criticism and calls for reform or limitation. Over time, concerns have emerged regarding the doctrine's impact on the separation of powers, its potential to expand agency authority, and its influence on judicial oversight. These criticisms have sparked discussions among legal scholars, policymakers, and judges about whether Chevron should be reformed, limited, or even overruled. Below, we explore the main criticisms and arguments for reform, followed by recent developments in Chevron's scope and the future of the doctrine in American jurisprudence.

1. Criticisms of Chevron Deference

a. Separation of Powers Concerns

One of the most prominent criticisms of Chevron is that it undermines the separation of powers between the executive, legislative, and judicial branches of government. Critics argue that Chevron deference gives too much power to executive agencies, allowing them to interpret statutes in ways that might expand their own regulatory authority. This blurs the line between legislative and executive functions, as agencies effectively "make law" by interpreting vague or ambiguous statutes.

- **Judicial Abdication:** Some critics assert that Chevron encourages judicial abdication of the judiciary's constitutional duty to interpret the law. By deferring to agencies on matters of statutory interpretation, courts are seen as relinquishing their role as impartial arbiters of the law, which could lead to unchecked agency power.

b. Excessive Agency Power and Accountability

Another concern is that Chevron deference allows administrative agencies to wield excessive power, leading to an expansion of the administrative state. Critics argue that by giving agencies significant

discretion in interpreting ambiguous statutes, Chevron encourages agencies to overreach and extend their regulatory authority beyond what Congress intended.

2. Arguments for Reform or Limitation of Chevron Deference

a. Restoring the Judiciary's Role

One of the primary arguments for reforming or limiting Chevron is to restore the judiciary's traditional role in interpreting the law. Critics argue that courts should play a more active role in reviewing agency decisions and should not automatically defer to agencies on questions of statutory interpretation. Reformers advocate for courts to engage more deeply in statutory analysis, using traditional tools of interpretation rather than deferring to agencies simply because a statute is ambiguous.

b. Clarifying Congressional Intent

Another reform proposal is for Congress to draft laws with greater precision and clarity, reducing the need for agency interpretation. Proponents of reform argue that Congress should take a more active role in shaping policy, rather than leaving it to agencies to interpret broad and ambiguous statutory mandates. By passing more specific legislation, Congress can limit the scope of agency discretion and reduce the instances in which Chevron deference applies.

Recent Developments in Chevron's Scope and Its Future in American Jurisprudence

In recent years, there has been increasing skepticism about the continued viability of Chevron deference in American jurisprudence. The doctrine has faced mounting challenges in the courts, and several recent developments suggest that its scope may be shrinking. Some justices on the Supreme Court have expressed doubts about Chevron's application, and legal scholars have speculated that the Court may be moving toward limiting or overruling the doctrine altogether.

1. Supreme Court Cases Reflecting Skepticism of Chevron

a. King v. Burwell (2015)

In this case involving the Affordable Care Act (ACA), the Supreme Court refused to apply Chevron deference to the IRS's interpretation of a key provision. The Court ruled that the issue at hand was a "major question" of economic and political significance, which required the Court itself to determine the meaning of the statute. This case marked a departure from Chevron, as the Court decided that the issue was too important to leave to agency interpretation without clear congressional intent.

- Significance: King v. Burwell is often seen as a turning point in Chevron's application. By invoking the major questions doctrine, the Court signaled that it might be willing to limit the scope of Chevron deference in cases involving significant national issues.

b. Michigan v. EPA (2015)

In this case, the Supreme Court reviewed the EPA's interpretation of the Clean Air Act in regulating power plant emissions. The Court held that the EPA's failure to consider the costs of regulation made its interpretation unreasonable under Chevron's Step Two. While the Court did not overturn Chevron, it emphasized the need for agencies to provide reasonable interpretations grounded in rational decision-making.

- Significance: Michigan v. EPA illustrated that courts can still reject agency interpretations under Chevron's Step Two when they are deemed unreasonable, particularly if the agency's actions do not adequately consider important factors like economic costs.
- Significance: West Virginia v. EPA represents a significant narrowing of Chevron's scope. By applying the major questions doctrine, the Court reinforced the principle that agencies cannot make decisions

on issues of broad national importance without explicit statutory authority. The case reflects the Court's growing reluctance to defer to agencies on significant regulatory matters.

2. Future of Chevron in American Jurisprudence

The future of Chevron deference remains uncertain. While the doctrine has not yet been overturned, recent Supreme Court decisions suggest that its scope is being narrowed, particularly in cases involving major questions of economic or political significance. Several trends suggest that Chevron may continue to be limited in the coming years:

a. Potential for Chevron's Overruling

Some legal scholars and commentators believe that the Supreme Court may eventually overrule Chevron altogether. Justices like Clarence Thomas and Neil Gorsuch have openly criticized the doctrine, and there is growing support among conservative legal thinkers for a return to more rigorous judicial scrutiny of agency decisions. If the Court continues to limit Chevron's application, it may eventually decide that the doctrine is no longer necessary.

Conclusion

The **Chevron deference doctrine** has played a pivotal role in shaping administrative law since its inception in *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.* (1984). The doctrine's underlying principle—that courts should defer to reasonable agency interpretations of ambiguous statutes—was designed to respect agency expertise and streamline judicial review. However, over the years, Chevron has become a lightning rod for debate, particularly over issues of separation of powers, judicial oversight, and agency accountability.

Critics argue that Chevron deference cedes too much authority to administrative agencies, undermining the judiciary's constitutional role in interpreting the law and allowing for unchecked expansion of the regulatory state. Furthermore, concerns about vague legislative drafting and excessive agency discretion have led to calls for reform or limitations on the doctrine. Some reformers advocate for clearer legislative mandates from Congress, more active judicial interpretation, or restricting Chevron to formal agency actions, while others argue for the complete dismantling of the doctrine.

Recent Supreme Court decisions, such as **King v. Burwell** and **West Virginia v. EPA**, reflect the growing skepticism toward Chevron, especially in cases involving significant political or economic issues. The emergence of the **major questions doctrine** has signaled a narrowing of Chevron's scope, with the Court increasingly refusing to defer to agencies on matters of national importance.

As the judiciary continues to reexamine Chevron's role in administrative law, the doctrine's future remains uncertain. The continued rise of judicial textualism and originalism, coupled with potential congressional action, suggests that Chevron deference may face further limitations in the coming years. Whether Chevron will be significantly reformed, limited to specific contexts, or ultimately overruled remains a critical question for the future of American administrative law. Regardless of its fate, the debate surrounding Chevron highlights the ongoing tension between agency expertise, democratic accountability, and the proper balance of power among the branches of government.

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