# SCOTUS Unleashed

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In case you were wondering why Chevron was overturned  $\P$ 



Peanut Butter is a liquid. We said what we said.



## Corner Post, Inc. v. Board of Governors of the Federal Reserve System

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#### Facts of Corner Post

- Since 2018, Corner Post has operated a truck stop and convenience store in North Dakota
  - Like most other merchants, Corner Post accepts payment by debit card
- Corner Post filed suit in 2021 challenging the validity of a rule issued by the Federal Reserve Board in 2011 regulating fees accrued by small businesses processing debit card transactions



# Statute of Limitations for Filing Suit Against the United States

- The Administrative Procedure Act does not include a statute of limitations provision
- Courts apply the default six-year statute of limitations in 28 U.S.C. § 2401(a):
  - "[E]very civil action commenced against the United States shall be barred unless the complaint is filed within six years after the right of action first accrues."



## Key Issue in Corner Post

- When does a claim brought under the Administrative Procedure Act "accrue" (i.e., when does the SOL start to run)?
- Federal Reserve Board's Position: The claim accrued in 2011 the final rule was issued.
- Corner Post's Position: The claim accrued in 2018 when the Corner Post was injured by the final rule.



## **Supreme Court Decision**

- 6-3 decision by Justice Barrett
- Holding: An APA claim does not accrue for purposes of 28 U.S.C. § 2401(a)'s 6-year statute of limitations until the plaintiff is injured by the final agency action
- Litigants can now bring "facial" challenges to agency actions within 6-years of their injury, even if 6-years has passed since the rule was issued



## **Key Impacts of Corner Post**

- Justice Jackson's Dissent: The ruling could effectively write the statute of limitations out of existence, a result "profoundly destabilizing for both Government and businesses."
- Potential increase in challenges to existing administrative rules (and likely more success?)
- Together, Loper Bright and Corner Post will require agencies to pursue defensible rules and adjudications

## **Any Questions**

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### Thank You



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# Federal "Good Neighbor" Rule for Ozone NAAQS

Ohio v. EPA – Issued July 27, 2024

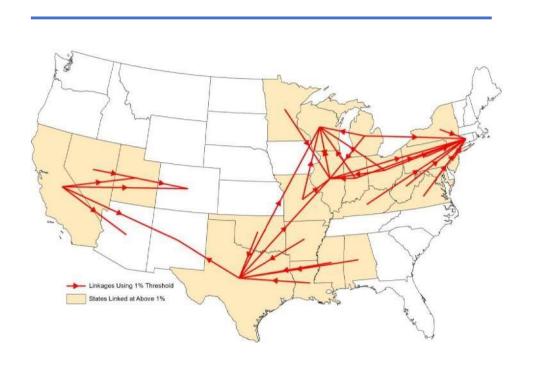
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#### Good Neighbor Rule

- 23 states (including Missouri) must reduce NOx that "significantly" contributes
  to problems attaining EPA's 2015 Ozone National Ambient Air Quality
  Standards (NAAQS), in downwind states.
- EPA Identified downwind receptors expected to have problems attaining or maintaining the NAAQS and determined which upwind states significantly contribute to nonattainment or interfere with maintenance of a standard in any area.
- Contributors must implement emissions reductions. The program begins with reductions starting in 2023 of NOx through a cap-and-trade program for power plants and moves to reductions to other industrial sources in 2026.

#### Transport Linkages for 2015 Ozone NAAQS

#### **Transport Linkages from Final Rule Modeling**



- Interstate air pollution refers to pollution from upwind emissions sources that impact the air quality in another state.
- These pollutants can travel great distances.
- Transport of pollutants across state borders can make it difficult for downwind states to meet the NAAQS for ozone and potentially other pollutants.

### Final Rule Covered Geography



#### State SIPs

- States (including MO) were required to submit a SIP to EPA to comply with the Rule BUT EPA declared the MO SIP and many others to be inadequate.
- EPA issued FIPs replacing State SIPs.
- Lawsuits followed.

#### Ohio v. EPA

- Parties appealed asking courts to stay the rule pending a decision on the merits.
- The Supreme Court on July 27, a day before the Loper decision was issued, issued a stay of the Rule.
- Issuance of a stay by the Supreme Court is extremely unusual, with only one other stay related to an EPA rule (the Former Clean Power Plan).
- One reason a stay is unusual is that the court has to find that there is a "likelihood of success on the merits".

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