No. 17-225

In The Supreme Court of the United States

GARCO CONSTRUCTION, INC.,

Petitioner,

v.

ROBERT M. SPEER,
ACTING SECRETARY OF THE ARMY,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

AMICUS BRIEF OF THE STATES OF UTAH, ALABAMA, ARIZONA, ARKANSAS, COLORADO, GEORGIA, INDIANA, LOUISIANA, MISSOURI, NEBRASKA, NEVADA, OHIO, OKLAHOMA, SOUTH CAROLINA, TEXAS, WEST VIRGINIA, WISCONSIN, AND WYOMING IN SUPPORT OF PETITIONER

SEAN D. REYES
Utah Attorney General
TYLER R. GREEN*
Utah Solicitor General
*Counsel of Record
STANFORD E. PURSER
Deputy Solicitor General
350 N. State Street, Suite 230
Salt Lake City, UT 84114-2320
Telephone: (801) 538-9600
Email: tylergreen@agutah.gov

Counsel for Amicus Curiae State of Utah

[Additional Counsel Listed On Signature Page]

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

QUESTION PRESENTED

Whether *Bowles v. Seminole Rock & Sand Co.*, 325 U.S. 410 (1945), and *Auer v. Robbins*, 519 U.S. 452 (1997), should be overruled.

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INTEREST OF *AMICI CURIAE*[1]

Amici curiae are the States of Utah, Alabama, Arizona, Arkansas, Colorado, Georgia, Indiana, Louisiana, Missouri, Nebraska, Nevada, Ohio, Oklahoma, South Carolina, Texas, West Virginia, Wisconsin, and Wyoming. As sovereigns in our republic, *amici* have a pronounced interest in cases that implicate federalism and the separation of powers – indispensable tenets of our Constitution.

This case fits that bill. The interpretive rule from *Bowles v. Seminole Rock & Sand Co.*, 325 U.S. 410 (1945), reiterated in *Auer v. Robbins*, 519 U.S. 452 (1997), uniquely harms the States. That rule requires courts to give controlling weight to a federal agency's *ad hoc* views of an ambiguous regulation – even when those views will preempt contrary State law, or retroactively change the conditions of Spending Clause legislation. *Seminole Rock* deference thus alters the balance of federal-state power and raises serious constitutional questions.

Amici urge this Court to grant certiorari and assess *Seminole Rock*'s continuing validity. Careful scrutiny will confirm – as *amici* explain below – that, for *Seminole Rock*'s rule, "[e]nough is enough." *Decker v. Nw. Envtl. Def. Ctr.*, 568 U.S. 597, 616 (2013) (Scalia, J., concurring in part and dissenting in part).

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[1] Counsel of record for all parties received notice at least 10 days before this brief was due of the State's intent to file it. The State of Utah, as *amicus curiae*, may file this brief without leave of Court or consent of the parties. S. Ct. R. 37.4.

SUMMARY OF ARGUMENT

Alexander Hamilton once "confess[ed]" that he was "at a loss to discover what temptation the persons entrusted with the administration of the general government could ever feel to divest the States" of their "residuary authorities" to govern "for local purposes." The Federalist No. 17, at 105 (J. Cooke ed., 1961). But then Hamilton never met a federal official whose *ad hoc* views of an agency's ambiguous regulation could bind the public – including the States.

Agency officials get that power from a judicially created interpretive rule of deference first articulated in *Seminole Rock* and later reiterated in *Auer*, cases *amici* refer to synonymously. "The canonical formulation of *Auer* deference is that [this Court] will enforce an agency's interpretation of its own rules unless that interpretation is 'plainly erroneous or inconsistent with the regulation.'" *Decker*, 568 U.S. at 617 (Scalia, J., concurring in part and dissenting in part) (quoting *Seminole Rock*, 325 U.S. at 414).

Lately, however, the more canonical statements about *Seminole Rock* have been criticisms of it. Rightly so. Time and experience have laid bare *Seminole Rock*'s faults. *Seminole Rock* allows agencies to bind the public to informal rules adopted without following the Administrative Procedure Act's (APA) formal strictures. That is bad for the public; they become governed by agency caprice, with no prior notice of what the agency's new requirements will be or a chance to help shape them. In contrast, it's harder to think of a better

deal for regulators, who can accomplish their goals free from the hassle and effort of complying with the APA's formalities. Fixing those problems is reason enough to grant certiorari and reverse the decision below.

But there is more. *Seminole Rock* deference creates unique problems for States that likewise justify plenary review. *Seminole Rock* upsets the Constitution's finely wrought balance of federal-state power: By giving controlling weight to informal agency action that conflicts with contrary State law, *Seminole Rock* effectively expands the Federal government's power under the Supremacy Clause, deprives States of their constitutional safeguards from Federal overreach, and undermines the States' APA protections. *Seminole Rock* also allows agencies to retroactively change the terms of federal-state agreements in Spending Clause legislation, threatening the States with the loss of vast sums – even hundreds of millions of dollars – just because of one federal bureaucrat's change of mind.

Those problems call not only for revisiting *Seminole Rock* deference but also for overruling it. No *stare decisis* considerations support retaining it. And this case is an excellent vehicle for doing so – the issue is squarely and properly presented. The Court should grant certiorari and reverse the judgment below.

ARGUMENT

I. Whether *Seminole Rock* Deference Remains Valid Is Critically Important To The States.

A special mischief arises from an agency's authoritatively interpreting ambiguous regulations. That mischief affects the public writ large but harms the States specifically because they are sovereigns subject to federal bureaucratic whimsy. *Seminole Rock*'s impact on the States justifies plenary review.

A. *Seminole Rock*'s Faults Are Well Known.

The Petition ably describes *Seminole Rock*'s infirmities. First, *Seminole Rock* deference gives an agency's informal, *ad hoc* interpretation of its regulations the same force of law as rules the agency actually promulgates through formal notice-and-comment rulemaking. This creates a problematic but obvious incentive for agencies: take the shortcut. Promulgate vague formal rules, then return to them later – when you're not hamstrung by the APA's formalities – to get the result you really want. Second, those shortcuts by definition deprive the public of "fair notice of conduct that is forbidden or required." *FCC v. Fox Television Stations, Inc.*, 567 U.S. 239, 253 (2012). Third, *Seminole Rock* makes agencies *sui generis* among the federal branches: They become both lawmaker and judge, bearing power to promulgate (ambiguous) regulations *and* to effectively have the last word on what those (ambiguous) regulations mean. *See* Pet. 15-20.

None of this is breaking news. Members of this Court have previously identified these problems.[2] So have other federal judges[3] and academics.[4]

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[2] *See, e.g.*, *Perez v. Mortg. Bankers Ass'n*, 135 S. Ct. 1199, 1210-11 (2015) (Alito, J., concurring in part and concurring in the judgment); *id.* at 1211-13 (Scalia, J., concurring in the judgment); *id.* at 1213-25 (Thomas, J., concurring in the judgment); *Decker*, 568 U.S. at 616-21 (Scalia, J., concurring in part and dissenting in part); *Talk Am., Inc. v. Mich. Bell Tel. Co.*, 564 U.S. 50, 67-69 (2011) (Scalia, J., concurring).

[3] *See, e.g.*, *Egan v. Del. River Port Auth.*, 851 F.3d 263, 278 (3d Cir. 2017) (Jordan, J., concurring in the judgment) ("The problems [*Auer*] create[s] are serious and ought to be fixed."); *Bible v. United Student Aid Funds, Inc.*, 807 F.3d 839, 841-42 (7th Cir. 2015) (Easterbrook, J., concurring in the denial of rehearing en banc) (explaining the consequence of applying *Auer* deference in that case: the party's "conduct, in compliance with agency advice when undertaken (and consistent with the district judge's view of the regulations' text), is now a federal felony and the basis of severe penalties in light of the Department's revised interpretation announced while the case was on appeal"); *Johnson v. McDonald*, 762 F.3d 1362, 1368 (Fed. Cir. 2014) (O'Malley, J., concurring) ("the validity of *Auer* deference is questionable"); *Elgin Nursing & Rehab. Ctr. v. U.S. Dep't of Health & Human Servs.*, 718 F.3d 488, 494 (5th Cir. 2013) ("Affording deference to agency interpretations of ever more ambiguous regulations would allow the agency to function not only as judge, jury, and executioner but to do so while crafting new rules."); *Exelon Generation Co. v. Local 15, Int'l Bhd. of Elec. Workers, AFL-CIO*, 676 F.3d 566, 576 n.5 (7th Cir. 2012) (explaining that *Auer* "raises serious separation-of-powers and administrative law concerns").

[4] *See* John F. Manning, *Constitutional Structure and Judicial Deference to Agency Interpretations of Agency Rules*, 96 Colum. L. Rev. 612 (1996); *see also*, *e.g.*, Philip Hamburger, *Is Administrative Law Unlawful?* 317 & n.25 (2014) (arguing that a court's deferring to an agency's interpretation of its own regulations amounts to an "abandonment of judicial office," particularly since "the Court would not defer to an act of Congress interpreting

Amici also agree with those critiques but will not belabor them given the Court's familiarity with those problems. Instead, *amici* highlight *Seminole Rock*'s uniquely problematic impacts on States – entities that "possess sovereignty concurrent with that of the Federal Government, subject only to limitations imposed by the Supremacy Clause," *Tafflin v. Levitt*, 493 U.S. 455, 458 (1990), but that remain subject to federal regulatory *diktats*.

B. Whether *Seminole Rock* Deference Remains Valid Warrants Review Because Of The Special Problems It Creates For States.

Seminole Rock deference imposes at least four hardships distinctively on States. First, it expands the Federal government's power to preempt State law. Second, it undermines the States' political protections built into the Constitution itself. Third, it undercuts the States' APA protections, thus decreasing the States' political checks on federal lawmaking and upsetting the balance of federal and state power. Fourth, it allows agencies to retroactively change conditions governing the States' receipt of federal funds from Spending Clause legislation – something not even Congress can do.

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a prior act" of Congress); Jennifer Nou, *Regulatory Textualism*, 65 Duke L.J. 81, 91 (2015) (explaining the "sense" of various academics and Supreme Court Justices "that an unreflective rule of deference has facilitated tenuous agency interpretations at the expense of fair notice and process").

1. State laws that conflict with valid federal laws are unenforceable. U.S. Const. art. VI, § 2. States thus have an interest in ensuring that any federal law purporting to displace a conflicting state framework derives from constitutionally prescribed procedures. *Seminole Rock* deference impairs the States' ability to vindicate that interest.

Federal legislation becomes law after both houses of Congress approve it and the President signs it (or Congress overrides a veto). U.S. Const. art. I, § 7, cl. 2; *Clinton v. City of New York*, 524 U.S. 417, 438-39 (1998). The bicameralism and presentment requirements reflect the Framers' decision that the Federal government's legislative power should "be exercised in accord with a single, finely wrought and exhaustively considered procedure." *Id.* at 439-40 (internal quotation marks omitted). That sole procedure is the only legislative mechanism that the ratifying States agreed would produce "the supreme Law of the Land," U.S. Const. art. VI, § 2, capable of displacing conflicting state law.

This Court has nevertheless held that state laws may be preempted not only by duly enacted federal statutes, but also by "a federal agency acting within the scope of its congressionally delegated authority." *La. Pub. Serv. Comm'n v. FCC*, 476 U.S. 355, 369 (1986); *see also*, *e.g.*, *City of New York v. FCC*, 486 U.S. 57, 63-64 (1988). Whatever that holding's vitality where Congress has expressly (or implicitly) "delegated to the agency the authority to interpret [statutory] ambiguities 'with the force of law,'" *City of Arlington v. FCC*,

133 S. Ct. 1863, 1880 (2013) (Roberts, C.J., dissenting) (quoting *United States v. Mead Corp.*, 533 U.S. 218, 219 (2001)), that theory cannot justify a federal *agency's* interpretation of an ambiguous regulation displacing state law. For even if Congress implicitly authorizes an agency to resolve any ambiguities in a statute it implements, *see, e.g.*, *Smiley v. Citibank (S.D.), N.A.*, 517 U.S. 735, 741 (1996), "there is surely no congressional implication that the agency can resolve ambiguities in its own regulations," *Decker*, 568 U.S. at 619 (Scalia, J., dissenting). Yet that is where *Seminole Rock* inevitably leads.

And courts have in fact followed that path. They have held state law to be displaced when it purportedly conflicts with an agency's interpretation of its own regulations. *See, e.g.*, *PLIVA, Inc. v. Mensing*, 564 U.S. 604, 612-25 (2011); *Geier v. Am. Honda Motor Co.*, 529 U.S. 861, 884 (2000); *Chae v. SLM Corp.*, 593 F.3d 936, 948-50 (9th Cir. 2010); *Wells Fargo Bank of Tex. NA v. James*, 321 F.3d 488, 494-95 (5th Cir. 2003); *State Farm Bank, F.S.B. v. Burke*, 445 F. Supp. 2d 207, 221 (D. Conn. 2006). Thus state law becomes roadkill of a vehicle at least two body styles removed from any form of law "made in Pursuance" of the Constitution's actual text. U.S. Const. art. VI, § 2.

That troublesome conclusion is even more puzzling given *Seminole Rock*'s incongruity with this Court's precedent about the preemptive reach of Executive action. The President cannot arrogate to himself the power to preempt state law. *Medellin v. Texas*, 552 U.S. 491, 523-32 (2008) (holding that the President

cannot preempt state law absent constitutional or statutory authorization). It must follow that the President's administrative functionaries likewise cannot arrogate to themselves the power to preempt state law in such circumstances. After all, regulators are the President's agents, deriving their executive powers from his. Yet *Seminole Rock* requires courts to defer to agency action that inherently lacks statutory authorization – *even when* it preempts state law. The upshot? What *Medellin* prohibits of the principal, *Seminole Rock* expressly authorizes by his agents.

In short, *Seminole Rock* deference undermines the bargain the States struck when they ratified the Supremacy Clause. This Court should grant certiorari to consider whether that deference remains appropriate.

2. *Seminole Rock* deference also undermines the Constitution's political protections for States. "[T]he principal means chosen by the Framers to ensure the role of the States in the federal system lies in the structure of the Federal Government itself." *Garcia v. San Antonio Metro. Transit Auth.*, 469 U.S. 528, 550 (1985). Indeed, the very "composition of the Federal Government was designed in large part to protect the States from overreaching by Congress." *Id.* at 550-51.

For example, Article I, section 7's bicameralism requirement ensures that legislation must win the approval of the Senate, "where each State received equal representation and each Senator was to be selected by the legislature of his State." *Id.* at 551. More generally, the Framers believed that legislators' attachment to

their individual States would make them "disinclined to invade the rights of the individual States, or the prerogatives of their governments." The Federalist No. 46, at 319 (James Madison) (J. Cooke ed., 1961).

Even though Senators are now elected by popular vote rather than by state legislature, U.S. Const. amend. XVII, States still retain their equal representation in the Senate. And because Senators and Representatives are elected from specific States, they have real incentives to be responsive to the varying state-specific needs and interests of their constituents. *Cf.* Herbert Wechsler, *The Political Safeguards of Federalism: The Role of the States in the Composition and Selection of the National Government*, 54 Colum. L. Rev. 543, 547 (1954) ("To the extent that federalist values have real significance they must give rise to local sensitivity to central intervention; to the extent that such a local sensitivity exists, it cannot fail to find reflection in the Congress.").

But the States lack an analogous direct constitutional role in the composition of federal agencies. To be sure, Senators exercise advice-and-consent authority when voting on the President's nominees to agency positions. U.S. Const. art. II, § 2, cl. 2. But no officials dependent on a State's political support thereafter participate in an agency's workaday activities in any way analogous to a Representative's or Senator's involvement in the House's or Senate's daily business. Agencies thus lack the same institutional incentives to respect State interests when promulgating regulations

that motivate members of Congress when they enact statutes. *See Geier*, 529 U.S. at 908 (Stevens, J., dissenting) ("Unlike Congress, administrative agencies are not clearly designed to represent the interests of States.").

Seminole Rock deference further depresses the limited agency incentives to promulgate clear rules when resolving statutory ambiguities. Under *Seminole Rock*, an agency's later, *ad hoc* views of vague regulations have the same preemptive force as formal rules. The resulting incentives favoring *informal* agency action – and the concomitant attenuation between those informal acts and statutory authority – reduce the States' chances of meaningfully influencing federal regulatory policies that directly affect their interests. *See* Manning, *Constitutional Structure*, 96 Colum. L. Rev. at 654 (explaining that *Seminole Rock* "undermine[s] the effectiveness of external political checks on administrative agencies").

This Court should grant review and determine whether *Seminole Rock* deference remains justified in light of its effect on the Constitution's political safeguards for States.

3. *Seminole Rock* also limits the States' ability to invoke statutory procedural safeguards. The APA requires agencies to promulgate substantive regulations through notice-and-comment rulemaking. *See* 5 U.S.C. § 553. When agencies comply with that requirement, States can – and do – actively participate in the notice-and-comment process to ensure that federal agencies

understand their interests and views. *See* Miriam Seifter, *States as Interest Groups in the Administrative Process*, 100 Va. L. Rev. 953, 984-95 (2014) (discussing the role of state interest groups in administrative proceedings); Nina A. Mendelson, Chevron *and Preemption*, 102 Mich. L. Rev. 737, 777-78 (2004) (reviewing opportunities for the States to participate in the administrative process).

Unfortunately, *Seminole Rock* distorts the APA's regulatory processes. It creates an incentive for agencies to issue ambiguous regulations that they can later interpret in less formal proceedings, free from the APA's formal constraints. Agencies can thus avoid the accountability contemplated by the APA's notice-and-comment requirements but still accomplish their regulatory goals. *See, e.g.*, Manning, *Constitutional Structure*, 96 Colum. L. Rev. at 654 (explaining that *Seminole Rock* limits "the efficacy of rulemaking as a check upon arbitrary and discriminatory agency action"). Indeed, in light of *Seminole Rock*, "[i]t is perfectly understandable . . . for an agency to issue vague regulations, because to do so maximizes agency power and allows the agency greater latitude to make law through adjudication rather than through the more cumbersome rulemaking process." *Thomas Jefferson Univ. v. Shalala*, 512 U.S. 504, 525 (1994) (Thomas, J., dissenting).

In short, when courts give "controlling weight" to agency interpretations of ambiguous regulations, they sanction administrative lawlessness – an agency's intentional circumvention of the APA – thus "allow[ing]

agencies to make binding rules unhampered by notice-and-comment procedures." *Perez*, 135 S. Ct. at 1212 (Scalia, J., concurring in the judgment). This deprives coordinate sovereigns of their statutory rights to influence federal regulatory actions through notice-and-comment procedures. Whether *Seminole Rock* deference remains justified given those heavy costs is a question deserving of this Court's plenary review.

4. *Seminole Rock* deference is in obvious tension with this Court's Spending Clause precedents.

Under the Spending Clause, "if Congress intends to impose a condition on the grant of federal moneys, it must do so unambiguously." *Pennhurst State Sch. & Hosp. v. Halderman*, 451 U.S. 1, 17 (1981). That is because spending statutes are "much in the nature of a contract: in return for federal funds, the States agree to comply with federally imposed conditions." *Id.* And Congress's power to make those contracts "rests on whether the State voluntarily and knowingly accepts the terms of the 'contract' "; that is, "[t]here can . . . be no knowing acceptance if a State is unaware of the conditions or is unable to ascertain what is expected of it." *Id.* Thus Congress may not "surpris[e] participating States with post acceptance or 'retroactive' conditions." *Id.* at 25.

That need for clarity peaks when Congress conditions receiving federal funds on the States' agreement to relinquish their historic immunity from suit. In the Eleventh Amendment context, "Congress may abrogate the States' constitutionally secured immunity

from suit in federal court only by making its intention unmistakably clear in the language of the statute." *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 242 (1985). This clear-statement rule recognizes "the vital role of the doctrine of sovereign immunity in our federal system." *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 99 (1984).

Seminole Rock's deference rule creates tension with those Spending Clause precedents in at least two ways. First, because those cases require *Congress* to speak clearly as to whether the States are bound to an obligation, there is no basis for courts to give binding deference to an *agency* when Spending Clause legislation "is susceptible of multiple plausible interpretations." *Sossamon v. Texas*, 563 U.S. 277, 287 (2011). Yet *Seminole Rock* requires that course. Second, courts must defer under *Seminole Rock* no matter when the agency announces its *ad hoc* views. But the *Pennhurst* canon requires that Congress provide notice of the conditions "at t[he] time" the funds are received. *Bennett v. Ky. Dep't of Educ.*, 470 U.S. 656, 670 (1985). *Seminole Rock* deference may thus inadvertently be the sole exception to the general rule that the federal government may not "modify past agreements with recipients by unilaterally issuing" new "guidelines" after the agreement has been consummated. *Rosa H. v. San Elizario Indep. Sch. Dist.*, 106 F.3d 648, 658 (5th Cir. 1997).

Though the decision below does not arise from a dispute about Spending Clause legislation, recent executive action in that context shows why guidance on this question is needed. In one instance, a federal

agency changed its views about Title IX spending legislation via a letter to State education officials, threatening their contracting State partners with the loss of hundreds of millions of dollars in educational funding nationwide. *See G.G. ex rel. Grimm v. Gloucester Cty. Sch. Bd.*, 822 F.3d 709 (4th Cir. 2016), *vacated and remanded on other grounds*, 137 S. Ct. 1239 (2017). In another, local governments challenged an executive order that they contended gave agencies the authority to deprive them of potentially billions of dollars in federal funds because they disagree with the Administration's immigration policies. *See Cty. of Santa Clara v. Trump*, 2017 WL 1459081, at *5-9 (N.D. Cal. Apr. 25, 2017). A decision in this case could resolve the unacceptable tension between *Seminole Rock* and *Pennhurst*, with its potentially massive consequences for State coffers.

II. *Seminole Rock* Should Be Overruled.

It is time to jettison *Seminole Rock*. Experience has confirmed that *Seminole Rock*'s deference rule cannot bear its own weight. And *stare decisis* considerations do not support retaining it.

A. *Seminole Rock* Was Wrongly Decided.

Seminole Rock's deference rule consistently yields results that conflict with first principles of administrative and constitutional law.

For example, where administrative law presumes that regulations "must give fair notice of conduct that

is forbidden or required," *Fox Television Stations*, 567 U.S. at 253, *Seminole Rock* deference blesses *post hoc* agency action that gave the public *no* warning – let alone "fair warning" – "of the conduct [a regulation] prohibits or requires," *Christopher v. SmithKline Beecham Corp.*, 567 U.S. 142, 156 (2012) (internal quotation marks omitted). And where the APA presumes that the public will be bound by formal rules made through notice-and-comment procedures, *see* 5 U.S.C. § 553, *Seminole Rock* deference allows an agency's informal, *ad hoc* views "not just to advise the public, but also to bind them." *Perez*, 135 S. Ct. at 1212 (Scalia, J., concurring in the judgment). So much for the "extensive procedural safeguards" that the States secured as part of administrative law's main "working compromise." *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 537 (2009) (Kennedy, J., concurring in part and concurring in the judgment) (internal quotation marks omitted).

Seminole Rock also produces results that conflict with the Constitution. The Founders viewed the separation of powers as the "political truth" of "greate[st] intrinsic value." The Federalist No. 47, at 324 (James Madison) (J. Cooke ed., 1961). For "[w]ere the power of judging joined with the legislative, the life and liberty of the subject would be exposed to arbitrary controul, for *the judge* would then be *the legislator*." *Id.* at 326 (internal quotation marks omitted). And were the judicial power "joined to the executive power, *the judge* might behave with all the violence of *an oppressor*." *Id.* (internal quotation marks omitted). Yet *Seminole Rock*

"permit[s] the person who promulgates a law to interpret it as well." *Talk America*, 564 U.S. at 68 (Scalia, J., concurring).

Equally problematic, *Seminole Rock* deference contradicts longstanding constitutional presumptions under the Supremacy Clause and the Spending Clause. First, the Federal government's power to preempt State law "is an extraordinary power in a federal system" that this Court "assume[s] Congress does not exercise lightly." *Gregory v. Ashcroft*, 501 U.S. 452, 460 (1991). *Seminole Rock*, however, upends that presumption when an agency is the lawmaker. An agency's *ad hoc* views of ambiguous regulations are the very embodiment of lawmaking "exercise[d] lightly" – yet *Seminole Rock* commands courts to credit them over contrary State law. Second, Congress must clearly state the terms it requires of States as a condition of receiving federal funds *before* the State agrees to them. *Pennhurst*, 451 U.S. at 17, 25. But *Seminole Rock* requires courts to defer to an *agency*'s after-the-fact views of those conditions – views the assenting States never could have known. Neither result is constitutionally sound; there is no justifiable basis for allowing courts to grant more slack to agencies who mount *ad hoc* attacks on State law, or revise the States' contracting conditions, than they grant to Congress.

Seminole Rock also incentivizes the creation of federal lawmaking via informal agency action. If more law is made that way – rather than in Congress or by formal regulatory proceedings – the States continue to

lose the benefits of the Constitution's structural protections "designed in large part to protect the States from overreaching by Congress," *Garcia*, 469 U.S. at 550-51, and of their APA right to advocate their interests in notice-and-comment proceedings.

Those myriad problems should be fatal to *Seminole Rock*'s deference rule. A hypothetical example makes the point. If interpreting a text's ambiguous, general terms in light of that text's more specific related or associated terms, *see Yates v. United States*, 135 S. Ct. 1074, 1085-87 (2015), consistently led to outcomes that flouted bedrock principles of constitutional and administrative law, not another year would pass before this Court would purge the canons of *ejusdem generis* and *noscitur a sociis* from the United States Reports. The same fate is appropriate for *Seminole Rock* deference – a rule used to interpret an agency's informal views of ambiguous (regulatory) text.

B. *Stare Decisis* Considerations Do Not Save *Seminole Rock*.

Petitioner persuasively explains why this Court may not even need to consider traditional *stare decisis* principles before jettisoning *Seminole Rock* deference. *See* Pet. 23-24. In any event, assuming *stare decisis* applies, not one of its factors supports retaining *Seminole Rock* deference.

Far from being "well reasoned," *Montejo v. Louisiana*, 556 U.S. 778, 793 (2009), *Seminole Rock*'s deference rule rests solely on "*ipse dixit*," with "no justification

whatsoever," *Decker*, 568 U.S. at 617 (Scalia, J., concurring in part and dissenting in part). *Auer* did not fill that gap; it rotely applied *Seminole Rock*. *See* 519 U.S. at 461. Neither have this Court's cases since *Seminole Rock* "put forward a persuasive justification for *Auer* deference." *Decker*, 568 U.S. at 617 (Scalia, J., concurring in part and dissenting in part).

Compounding that problem, the intervening years have created "a considerable body of new experience to consider regarding the consequences of requiring adherence to" an agency's *ad hoc* views, *Pearson v. Callahan*, 555 U.S. 223, 234 (2009) – and none of it bodes well, *see supra* at 6-18. So events since *Seminole Rock*'s inception have confirmed why it should be abandoned.

Nor can the "reliance interests at stake," *Montejo*, 556 U.S. at 792, save *Seminole Rock*'s deference rule. That rule benefits only federal agencies. They are thus the parties naturally expected to claim an interest in preserving it. But the Court should rightfully question the federal government's attempt to preserve its ability "to enact vague rules which give it the power, in future adjudications, to do what it pleases." *Talk America*, 564 U.S. at 69 (Scalia, J., concurring). Those are not the type of reliance interests sufficient to justify retaining an interpretive rule that so plainly "frustrates the notice and predictability purposes of rulemaking, and promotes arbitrary government." *Id.*

III. This Is An Excellent Vehicle For Reconsidering *Seminole Rock*.

Members of this Court have awaited "an appropriate case," *Decker*, 568 U.S. at 615 (Roberts, C.J., concurring), "in which the validity of *Seminole Rock* may be explored through full briefing and argument," *Perez*, 135 S. Ct. at 1210-11 (Alito, J., concurring in part and concurring in the judgment). This is that case.

Whether *Seminole Rock* remains valid is squarely presented here. The Federal Circuit's holding rests on *Seminole Rock* deference. Pet. App. 13a (holding "that the [Respondent's] interpretation [of the base-access regulation] is not plainly erroneous or inconsistent with the regulation, and we therefore must give it controlling weight"). And the Federal Circuit might have reached a different conclusion but for *Seminole Rock*'s requirements. *See id.* at 9a (noting that Petitioner's "argument that the plain meaning of 'wants and warrants check' in isolation suggests a check only for wants and warrants" may have "some merit").

The question presented also has been "properly raised and argued." *Decker*, 568 U.S. at 615 (Roberts, C.J., concurring). The Petition exhaustively explains why *Seminole Rock*'s continuing validity merits plenary review. The unique harms to States explained above provide additional reasons from "concurrent" sovereigns, *Tafflin*, 493 U.S. at 458, to grant certiorari and review this "important question of federal law," S. Ct. R. 10(c).

CONCLUSION

The Court should grant the petition and overrule *Seminole Rock* and *Auer*.

Respectfully submitted,

SEAN D. REYES
Utah Attorney General
TYLER R. GREEN*
Utah Solicitor General
*Counsel of Record
STANFORD E. PURSER
Deputy Solicitor General
350 N. State Street, Suite 230
Salt Lake City, UT 84114-2320
Telephone: (801) 538-9600
Email: tylergreen@agutah.gov

Counsel for Amicus Curiae
State of Utah

ADDITIONAL COUNSEL

STEVE MARSHALL
Attorney General
STATE OF ALABAMA

CYNTHIA H. COFFMAN
Attorney General
STATE OF COLORADO

MARK BRNOVICH
Attorney General
STATE OF ARIZONA

CHRISTOPHER M. CARR
Attorney General
STATE OF GEORGIA

LESLIE RUTLEDGE
Attorney General
STATE OF ARKANSAS

CURTIS T. HILL, JR.
Attorney General
STATE OF INDIANA

JEFF LANDRY
Attorney General
STATE OF LOUISIANA

JOSHUA D. HAWLEY
Attorney General
STATE OF MISSOURI

DOUG PETERSON
Attorney General
STATE OF NEBRASKA

ADAM PAUL LAXALT
Attorney General
STATE OF NEVADA

MICHAEL DEWINE
Attorney General
STATE OF OHIO

MIKE HUNTER
Attorney General
STATE OF OKLAHOMA

ALAN WILSON
Attorney General
STATE OF SOUTH CAROLINA

KEN PAXTON
Attorney General
STATE OF TEXAS

PATRICK MORRISSEY
Attorney General
STATE OF WEST VIRGINIA

BRAD SCHIMEL
Attorney General
STATE OF WISCONSIN

PETER K. MICHAEL
Attorney General
STATE OF WYOMING