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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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YELLOW TRANSPORTATION, INC. *v.* MICHIGAN ET AL.

CERTIORARI TO THE SUPREME COURT OF MICHIGAN

No. 01–270. Argued October 7, 2002—Decided November 5, 2002

Prior to 1994, the Interstate Commerce Commission (ICC) allowed States to charge interstate motor carriers operating within their borders annual registration fees of up to $10 per vehicle. As proof of registration, participating States issued stamps that were affixed to a card carried in each vehicle. Under this so-called "bingo card" system, some States entered into "reciprocity agreements" whereby, in exchange for reciprocal treatment, they discounted or waived registration fees for carriers from other States. In the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), Congress directed the ICC to replace the "bingo card" regime with a new system, the "Single State Registration System," under which a carrier's annual registration with one State that had participated in the "bingo card" system would be deemed to satisfy the registration requirements of all other such States. ISTEA also capped state registration fees by directing the ICC to "establish a fee system . . . that . . . will result in a fee for each participating State that is equal to the fee, not to exceed $10 per vehicle, that such State collected or charged as of November 15, 1991." 49 U. S. C. §11506(c)(2)(B)(iv)(III) (1994 ed.), amended and recodified in §14504(c)(2)(B)(iv)(III). In its final implementing regulations, the ICC ruled that, under the new system, States could not terminate the reciprocity agreements that were in place under the "bingo card" regime. To allow them to do so, the ICC decided, would be inconsistent with ISTEA's fee-cap provision and with the Act's intent that the flow of revenue for the States be maintained while the burden of the registration system for carriers be reduced.

Michigan participated in the "bingo card" regime. For the 1990 and 1991 registration years, the Michigan Public Service Commission did not levy a fee for petitioner's trucks that were licensed in Illinois

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pursuant to its policy not to charge a fee for vehicles registered in other States that did not charge Michigan-based carriers a fee. In 1991, however, the commission announced a change in its policy, effective February 1, 1992, whereby the commission granted reciprocity treatment based on the policies of the State in which a carrier maintained its principal place of business rather than the State in which individual vehicles were licensed. Because Michigan had no reciprocal arrangement with Kansas, where petitioner was headquartered, the Michigan commission levied a fee of $10 per vehicle for the 1992 registration year on petitioner's entire fleet, with payment due on January 1, 1992. After paying the fees in October 1991 under protest, petitioner brought suit in the Michigan Court of Claims seeking a refund of the fees it paid for its Illinois-licensed vehicles after the Single State Registration System came into effect. It alleged that, because Michigan had not "collected or charged" a 1991 registration fee for those trucks, ISTEA's fee-cap provision prohibits Michigan from levying a fee for them. The court granted petitioner summary judgment, and the Michigan Court of Appeals affirmed. The Michigan Supreme Court reversed, concluding that reciprocity agreements are not relevant in determining what fee a State "charged or collected" as of November 15, 1991. Applying *Chevron U. S. A. Inc.* v. *Natural Resources Defense Council, Inc.,* 467 U. S. 837, the court determined that the statute unambiguously forbids the ICC's interpretation. Reasoning that the new fee system is based not on the fees collected from one individual company, but on the fee system that the State had in place on November 15, 1991, the court concluded that it must look not at the fees petitioner paid in any given year, but at the *generic fee* Michigan charged or collected from carriers as of November 15, 1991.

Held: The Michigan Supreme Court erred in holding that, under §14504(c)(2)(B)(iv)(III), only a State's "generic" fee is relevant to determining the fee that was "collected or charged as of November 15, 1991." States may not renounce or modify a reciprocity agreement so as to alter any fee charged or collected as of that date. Because the ICC's interpretation of ISTEA's fee-cap provision is a permissible reading of the statutory language and reasonably resolves ambiguity therein, the ICC's interpretation must receive deference under *Chevron*, *supra*, at 843, and the Michigan Supreme Court erred in declining to enforce it. The fee-cap provision does not foreclose the ICC's determination that fees charged under States' pre-existing reciprocity agreements were, in effect, frozen by the new Single State Registration System. The statutory language "collected or charged" can quite naturally be read to mean fees that a State *actually* collected or charged. The statute can easily be read as the ICC chose, making it

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unlawful for a State to renounce or modify a reciprocity agreement so as to alter any fee charged or collected as of November 15, 1991. While the Michigan Supreme Court's reading of the statute might be reasonable, nothing in the statute compels that particular result. The fee-cap provision refers not to a "fee system," but to the "fee . . . collected or charged." Under the ICC's rule, where a State waives its registration fee, its "fee . . . collected or charged" is zero and must remain zero. To allow States to disavow their reciprocity agreements so as to alter any fee charged or collected as of November 15, 1991, would potentially permit States to increase their revenues substantially under the new system, a result that the ICC quite reasonably believed Congress did not intend. The Court rejects respondents' arguments that Congress intended for each State to set a single, uniform fee; that the ICC could not add a constraint not within the statute's express language; and that the ICC's rule contravenes the fee-cap provision by limiting what a State can charge based on what was collected from or charged to a particular carrier. Pp. 7–11.

464 Mich. 21, 627 N. W. 2d 236, reversed and remanded.

O'CONNOR, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and SCALIA, KENNEDY, SOUTER, THOMAS, GINSBURG, and BREYER, JJ., joined. STEVENS, J., filed an opinion concurring in the judgment.