



Ava Lombardi

Save & file | Forward | Share | Lexy Find | Follow

The 29 June 2026 ruling will likely reshape enforcement priorities, inject greater political volatility into agency decision-making, and create new compliance uncertainty.



Credit: Shutterstock.com/Framalicious

The US Supreme Court has overturned a 90-year precedent protecting member of independent federal agencies from presidential removal. The decision upholds US President Donald Trump's termination of Rebecca Slaughter from the US Federal Trade Commission (FTC) and leaves other agencies vulnerable to the same fate.

"The ruling is unequivocal in holding that those in charge of any administrative agency that exercises executive power must be accountable to the president alone," Thompson Hine partner Steven Nevolis told Lexology PRO.

In the 6-3 decision, the Court overruled *Humphrey's Executor v US*, a 1935 ruling which upheld statutory restrictions on the president's ability to remove members of the FTC. Lexology PRO's siter platform, Law.com, reported the decision on 29 June 2026.

The journey to overturning Humphrey's

Though *Humphrey's* only addressed members of the FTC, the precedent has prevented the president from restructuring independent agencies for decades. Congress established for-cause removal protections for agencies so they could make consistent decisions without constant presidential pressure; fixed terms help preserve continuity, independence and public trust amid changes in administrations.

Trump, however, has tested the bounds of his presidential powers since returning to office in January 2025.

He terminated former Democratic US National Labor Relations Board (NLRB) member Gwynne Wilcox weeks after his inauguration, making her the first NLRB member to be removed from office since the Board's inception in 1935.

Wilcox sued the Trump administration under the National Labor Relations Act 1935 (NLRA), which, like the Federal Trade Commission Act 1914 (FTC Act), includes a for-cause removal provision for agency members. She argued that her termination was unlawful and violated the protections established in *Humphrey's*.

This left the NLRB in a year-long state of uncertainty as federal courts went back and forth about whether to apply *Humphrey's* to Wilcox's case. The US Supreme Court even intervened in May 2025, granting Trump's application to stay Wilcox's reinstatement to the US NLRB pending appeal. The US Court of Appeals for the District of Columbia Circuit ultimately held that Congress could not restrict the president's ability to remove agency members who "wield substantial executive power."

In January 2025, Trump also terminated former Democratic US Equal Employment Opportunity Commissioners (EEOC) Jocelyn Samuels and Charlotte Burrows, with Samuels suing the administration shortly after. Unlike in the NLRA, however, there is no statutory provision limiting presidential removal power in Title VII of the Civil Rights Act 1964, which created the EEOC.

In March 2025, Trump fired former Democratic FTC commissioners Slaughter and Alvaro Bedoya. The US District Court for the District of Columbia ruled in July 2025 that Slaughter's firing violated the FTC Act's for-cause removal protections, only for the US Supreme Court to stay the decision a few months later. The high court heard oral arguments for the case in December 2025, during which it signaled openness to overturning *Humphrey's*.

Trump also terminated members of the US Merit Systems Protection Board and the US Office of Special Counsel.

What does the SCOTUS ruling mean for companies?

The 29 June 2026 ruling's impact is expected to span well beyond the FTC. Importantly, Sidley Austin partner Sarah Carlson noted that the decision doesn't affect the underlying statutory authority of independent agencies:

"Companies should resist the temptation to equate greater presidential control with diminished regulatory authority. For example, *Slaughter* does not narrow the FTC's Section 5 authority, reduce the US Consumer Product Safety Commission's Section 15 authority or otherwise alter the substantive powers Congress has delegated to these agencies. Instead, it changes the political accountability of agency leadership."

The ruling opens the door to complete turnovers at federal agencies with each new administration, potentially creating greater regulatory turbulence for companies. Nevolis noted that "enforcement priorities have always varied between presidential administrations at these agencies, to an extent."

"However, when a commissioner or Board member was seated for a term that extended beyond the administration's time in office, the new administration would have that person in place until the term ended," Nevolis added. "That is no longer. Ultimately, we may see wholesale removal of agency heads at the start of each presidential administration, which will create more uncertainty with how the agencies operate."

Carlson added that, "in practice, the prospect of removal may prove more consequential than removal itself."

"Commissioners who know they serve at the president's pleasure are likely to align more closely with administration priorities even without explicit direction," she said. "Over time, that dynamic is likely to reshape the institutional culture of these agencies, reducing the practical distance that once separated them from the executive branch."

The decision also reduces institutional independence, increasing the potential for politicisation of policies and enforcement efforts. Further, it may open the door to more claims against long-standing agency rules and structures.

What should in-house teams do now?

In light of US Supreme Court's ruling, Nevolis said that in-house teams "need to implement a two-pronged approach."

"First, teams need to ensure they have the appropriate expertise either on their teams or with their outside counsel to efficiently address the regulatory issues affecting their organization," Nevolis said. "Second, teams need to communicate internally and identify stakeholders who may be most vulnerable to shifts in policy making. They should establish protocols and lines of communication to handle any changes and be prepared to act accordingly."

The ruling also underscores the importance of building compliance strategies that can withstand changes in political leadership. Carlson said that companies "should place greater strategic value on regulatory durability," noting that formal rules are more durable than informal guidance "because they are harder and more time-consuming to reverse."

Companies should also invest in relationships at "both the agency and White House levels," Carlson said.

"Career staff will remain essential because they often determine how priorities are implemented in practice. At the same time, *Slaughter* accelerates the absorption of formerly independent agencies into the White House-centered interagency process that has governed executive agencies for decades,"

See Lexology PRO's interactive [Compliance Calendar](#) for key upcoming deadlines and dates in core compliance areas throughout 2026, including enforcement dates, reporting deadlines and changes to regulations.

C

- Daily newsfeed
- Panoramic
- Research hubs
- Learn
- In-depth
- Lexy Find
- Scanner
- Contracts & clauses

- Find an expert
- Reports
- Research methodology
- Submissions
- FAQ
- Instruct Counsel
- Client Choice 2025

- Lexy AI
- About us
- Legal Influencers
- Firms
- Blog
- Events
- Popular
- Lexology Academic
- Lexology Talent Management

[Terms of use](#)

[Cookies](#)

[Disclaimer](#)

[Privacy policy](#)

- [Help centre](#)
- [Contact](#)
- [RSS feeds](#)
- [Submissions](#)

 Follow on X

 Follow on LinkedIn

