by Caroline Johnson Levine

Exceptional Deference to the States Requires Abstention

Federal courts may appear to provide additional forums for litigants to pursue relief when dissatisfied with a state court proceeding. However, the federal court's jurisdiction is limited and cannot enter into every state proceeding. More importantly, federal courts must abstain from the resolution of state matters in specific circumstances. Abstention from state court proceedings is required in the exceptional circumstances delineated by a recently issued and unanimous U.S. Supreme Court decision in *Sprint Communications, Inc. v. Jacobs.*[1]

A national telecommunications provider, Sprint Communications, Inc., determined that it would refuse to continue to pay intercarrier access fees to an Iowa telecommunications carrier for the use of long-distance "Voice over Internet Protocol (VoIP), after concluding that the Telecommunications Act of 1996 pre-empted intrastate regulation of VoIP traffic."[2] The local telecommunications carrier, Windstream, planned to retaliate for this lack of payment by blocking all calls for Sprint customers. "Sprint filed a complaint against Windstream with the IUB [Iowa Utilities Board] asking the Board to enjoin Windstream from discontinuing service to Sprint."[3] In response, Windstream determined that it would not discontinue service for Sprint customers, and Sprint withdrew its complaint. However, "the IUB decided to continue the proceedings to resolve the underlying legal question, i.e., whether VoIP calls are subject to intrastate regulation"[4] and the IUB ruled that intrastate fees were appropriate for VoIP services.

Sprint filed a state court lawsuit against the IUB, relying on federal Eighth Circuit Court of Appeals precedent requiring "a plaintiff to exhaust state remedies before proceeding to federal court."[5] However, Sprint also filed a lawsuit against the members of the IUB, in their official capacities, in federal court for the Southern District of Iowa. "Sprint sought a declaration that the Telecommunications Act of 1996 preempted the IUB's decision; as relief, Sprint requested an injunction against enforcement of the IUB's order."[6]

The district court dismissed the federal case based upon IUB's motion for abstention from the state lawsuit pursuant to *Younger v. Harris.*[7] Further, the Eighth Circuit Court of Appeals required "*Younger* abstention whenever 'an ongoing state judicial proceeding … implicates important state interests, and … the state proceedings provide adequate opportunity to raise [federal] challenges.'"[8] The U.S. Supreme Court granted *certiorari* to decide whether *Younger* abstention was appropriate in this case.

Article III, § 1 of the U.S. Constitution specified that Congress could create inferior courts: the "judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish." Accordingly, the first Congress created lower federal courts to resolve diversity disputes. This jurisdictional grant of power lasted more than 80 years as during "the early days of our Republic, Congress was content to leave the task of interpreting and applying federal laws in the first instance to the state courts."[9] In 1871, Congress broadened the jurisdiction of the federal courts to resolve intrastate federal claims, which were previously answered in state courts. This broad grant of federal power is detailed in 42 U.S.C. § 1983, which provides: "Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress."

Subsequently, the Supreme Court determined that the federal courts should abstain from a particular subset of cases, beginning with *Younger v. Harris.*[10] In *Younger*, the Supreme Court abstained from enjoining a pending state criminal prosecution based upon the "basic doctrine of equity jurisprudence."[11] The Supreme Court held that there should be "a proper respect for state functions, a recognition of the fact that the entire country is made up of a Union of separate state governments, and a continuance of the belief that the National Government will fare best if the States and their institutions are left free to perform their separate functions in their separate ways."[12] The sovereign independence of the states is fulfilled through the state's interest in enacting and enforcing its laws without federal interference.[13] Therefore, the doctrines of federalism and comity required federal courts to abstain from interfering in state institutions and functions. Accordingly, *Younger* abstention can prevent federal courts from engaging in "duplicative legal proceedings" and disrupting state judicial actions.[14]

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"Circumstances fitting within the *Younger* doctrine, we have stressed, are 'exceptional'; they include, as catalogued in *New Orleans Public Service, Inc. v. Council of City of New Orleans*, 'state criminal prosecutions,' 'civil enforcement proceedings,' and 'civil proceedings involving certain orders that are uniquely in furtherance of the state courts' ability to perform their judicial functions.'"[15] In *New Orleans Public Service, Inc. v. Council of City of New Orleans*, the Supreme Court recognized that "federal courts are obliged to decide cases within the scope of federal jurisdiction. Abstention is not in order simply because a pending state-court proceeding involves the same subject matter."[17] However, there are "certain instances in which the prospect of undue interference with state proceedings counsels against federal relief."[18]

"*Younger* exemplifies one class of cases in which federal-court abstention is required. … We have cautioned, however, that federal courts ordinarily should entertain and resolve on the merits an action within the scope of a jurisdicitional grant, and should not 'refus[e] to decide a case in deference to the States."

—Justice Ginsburg, *Sprint Communications Inc. v. Jacobs*[16]

In *Sprint*, the Supreme Court held that "*Younger* exemplifies one class of cases in which federal-court abstention is required: When there is a parallel, pending state criminal proceeding, federal courts must refrain from enjoining the state prosecution. This Court has extended *Younger* abstention to particular state civil proceedings that are akin to criminal prosecutions,[19] or that implicate a State's interest in enforcing the orders and judgments of its courts."[20] Therefore, only "exceptional circumstances justify a federal court's refusal to decide a case in deference to the States."[21] Further, the Supreme Court has "not applied *Younger* outside these three 'exceptional' categories, and today hold, in accord with *New Orleans Public Service, Inc. v. Council of City of New Orleans* that they define *Younger*'s scope."[22]

The Supreme Court found that the *Younger* abstention doctrine did not apply in *Sprint* because the "IUB proceeding does not resemble the state enforcement actions this Court has found appropriate for *Younger* abstention. It is not 'akin to a criminal prosecution.'[23] Nor was it initiated by 'the State in its sovereign capacity.'[24] A private corporation, Sprint, initiated the action. No state authority conducted an investigation into Sprint's activities, and no state actor lodged a formal complaint against Sprint."[25] Because this case presents none of the circumstances the Court has ranked as 'exceptional,' the general rule governs: '[T]he pendency of an action in [a] state court is no bar to proceedings concerning the same matter in the Federal court having jurisdiction.'"[26]

Younger abstention is appropriate in three types of exceptional cases, and understanding the rules that govern abstention may prevent unnecessary time and expense associated with litigating in an improper jurisdiction. ⊙

Endnotes

[1]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 588 (2013).

[2]*Id.*

[3]*Id.*

[4]*Id.*

[5]*Alleghany Corp. v. McCartney*, 896 F.2d 1138 (8th Cir. 1990).

[6]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 589 (2013).

[7]*Id.* at 590; *see Younger v. Harris*, 401 U.S. 37, 91 S. Ct. 746, 27 L.Ed.2d 669 (1971).

[8]*Sprint Communications Co., L.P. v. Jacobs*, 690 F.3d 864, 867 (8th Cir. 2012), *citing Middlesex County Ethics Comm. v. Garden State Bar Assn.*, 457 U.S. 423, 432, 102 S. Ct. 2515, 73 L.Ed.2d 116 (1982).

[9]*Merrell Dow Pharmaceuticals Inc. v. Thompson*, 478 U.S. 804, 826 (1986).

[10]*Younger v. Harris*, 401 U.S. 37, 91 S. Ct. 746 (1971).

[11]*Id.* at 43.

[12]*Id.* at 44.

[13]*Douglas v. City of Jeannette*, 319 U.S. 157, 162, 63 S. Ct. 877 (1943).

[14]*Huffman v. Pursue, Ltd.,* 420 U.S. 592, 604, 95 S. Ct. 1200, 43 L.Ed.2d 482 (1975).

[15]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 588 (2013), *quoting*, *New Orleans Public Service, Inc. v. Council of City of New Orleans*, 491 U.S. 350, 367, 109 S. Ct. 2506 (1989).

[16]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 588 (2013).

[17]*New Orleans Public Service, Inc. v. Council of City of New Orleans,* 491 U.S. 350, 373, 109 S. Ct. 2506, 105 L.Ed.2d 298 (1989).

[18]*Id.* at 368.

[19]*Huffman v. Pursue, Ltd.,* 420 U.S. 592, 95 S. Ct. 1200, 43 L.Ed.2d 482 (1975).

[20]*Pennzoil Co. v. Texaco Inc.,* 481 U.S. 1, 107 S. Ct. 1519, 95 L.Ed.2d 1 (1987).

[21]*New Orleans Public Service, Inc. v. Council of City of New Orleans*, 491 U.S. 350, 368, 109 S. Ct. 2506 (1989).

[22]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 591 (2013).

[23]*Huffman v. Pursue, Ltd.,* 420 U.S. 592, 604, 95 S. Ct. 1200, 43 L.Ed.2d 482 (1975).

[24]*Trainor v. Hernandez,* 431 U.S. 434, 444, 97 S. Ct. 1911 (1977).

[25]*Sprint Communications, Inc. v. Jacobs*, 571 U.S. ____, 134 S. Ct. 584, 592 (2013).

[26]*Id.* at 588; *see Colorado River Water Conservation Dist. v. United States,* 424 U.S. 800, 817, 96 S. Ct. 1236, 47 L.Ed.2d 483 (1976) (quoting *McClellan v. Carland,* 217 U.S. 268, 282, 30 S. Ct. 501, 54 L.Ed. 762 (1910)).