

Let's Build Big Beautiful Things: Supreme Court Limits NEPA's Reach and Paves Way for Permitting

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On May 29, 2025, the Supreme Court issued its 8-0¹ ruling in [*Seven County Infrastructure v. Eagle County*](#), significantly narrowing the scope of environmental reviews required under the National Environmental Policy Act (NEPA). Justice Kavanaugh's majority opinion holds that NEPA review must focus on the "proposed action" itself, *not* on indirect effects of unrelated projects. Crucially, the Court made clear that lower courts owe "*substantial deference*" to an agency's judgment about what must be included in an environmental analysis. This decision delivers a strong rebuke to expansive judicial interpretations of NEPA, curbing the scope creep that has long burdened environmental reviews. By affirming agencies' discretion in defining the scope of their analyses, the decision empowers streamlined permitting and faster project approvals. In short, the decision marks a pivotal shift toward a more focused, agency-driven NEPA process — one that prioritizes timely project delivery over speculative litigation and regulatory overreach.

Case Background

The underlying dispute arose from a rail project in Utah's oil-rich Uinta Basin. In 2020, a coalition of seven rural counties (the "Seven County" group) proposed an 88-mile rail line to connect products to the national rail network. The Surface Transportation Board (STB) regulates rail construction and was tasked with conducting a NEPA review and issuing an Environmental Impact Statement (EIS). The STB issued a draft EIS and invited public comment. After holding six public meetings and reviewing more than 1,900 comments, it prepared a 3,600-page final EIS. The EIS examined local construction impacts and mentioned that the line *could eventually* result in more upstream drilling and downstream refining, but it did not fully analyze those *off-site* effects.

Eagle County, Colorado (through which the rail line would pass) and several environmental groups challenged the STB approval, arguing the EIS violated NEPA by failing to consider these "reasonably foreseeable" indirect off-site effects. In 2023, the D.C. Circuit vacated the STB's decision and EIS, finding "numerous NEPA violations" due to these omissions. The Circuit Court treated these off-site impacts as "interrelated" impacts that the STB should have analyzed. The D.C. Circuit's decision was appealed by the STB and the Seven County group to the Supreme Court.

¹ Justice Gorsuch took no part in the consideration or decision of the case.

Supreme Court's Ruling

The majority opinion emphasized that NEPA is a *procedural statute* meant to inform agency decisions, not to dictate outcomes. The Court held that the STB acted reasonably by limiting its review to the rail project itself. Under NEPA, an agency must assess the environmental effects of the *project at issue*, not the up- or downstream effects. The Court reasoned that STB had no decision-making or regulatory authority over such projects and concluded that a separate project “breaks the chain of proximate causation” and need not be analyzed. Practically, the STB was not required to study these other activities as they were “separate in time and place” from the rail line.

The decision also underscores strong judicial deference to agencies regarding NEPA procedures and policies. The opinion reiterated that Courts reviewing NEPA decisions should not second-guess reasonable agency judgments about scope and detail. Although the Court has recently tightened deference on pure legal questions (e.g., *Loper Bright* overruled *Chevron* deference), it reaffirmed that NEPA’s fact-based scoping is owed deferential review under the APA’s “arbitrary and capricious” standard.

This ruling “reiterate[s] and clarif[ies] the fundamental principles” of NEPA judicial review, including that NEPA imposes no substantive results, and courts should not interfere if an agency’s choices fall within a “broad zone of reasonableness.” In short, so long as an EIS takes a “hard look” at the project’s impacts, courts must defer to the agency’s scoping and need not micromanage.

Notably, the Court also signaled that a remand for additional NEPA study does not always require vacating a permit. If an EIS has a deficiency, courts should remand and leave the project intact unless the agency shows it would have denied approval if informed of the issues. This can result in agencies and developers avoiding having projects halted by the courts while awaiting new studies and again lends credence to the fact that NEPA is a procedural statute.

Key Points of the Decision

- **NEPA Focuses on the Proposed Project:** Agencies need only to analyze the effects of the specific action they approve. Separate upstream or downstream projects do not need to be included unless they are so closely intertwined as to form a single project.
- **Substantial Judicial Deference:** Courts must defer to agency determinations about NEPA scope and detail. The opinion emphasizes that an agency’s choice of how far to go in considering indirect effects is within its discretion if reasonable and explained.
- **No “But-For” Indirect Effects Required:** The Court explicitly rejected the notion that a project’s impact makes all future consequences “reasonably foreseeable.” Just because a rail line might facilitate other projects does not trigger NEPA unless the agency itself can regulate those projects.
- **NEPA Is Procedural Only:** Reaffirming past precedent, the Court reiterated that NEPA only requires a thorough review, not any particular result. Agencies must take a “hard look” at impacts, but NEPA does not impose substantive limits on permitting decisions.

Implications for Projects and Environmental Review

This ruling has immediate and far-reaching implications for infrastructure and environmental litigation. By tightly confining NEPA analysis to the authorized action, the decision removes a common basis for delaying projects (i.e., extraneous review and resulting litigation).

- **Project Approvals May Move Faster:** As the focus of NEPA has narrowed, so can the focus of agencies for preparing EISs. Knowing they can avoid investigating distant climate or economic ripple effects, agencies can streamline NEPA analysis at a time when they are already under pressure to expedite permitting.
- **Less Litigation, More Certainty:** Opponents will have fewer NEPA arguments in their tool bag for delaying projects in court now. Challenges based on alleged up- or downstream impacts are less likely to succeed, if at all, since the Court found those generally lie outside the purview of the reviewing agency.
- **Regulatory and Policy Context:** The ruling aligns with broader regulatory trends toward efficient permitting, a goal supported at both the federal and state levels and across political parties. It reinforces the view that NEPA is a procedural checklist rather than a substantive hurdle, giving agencies a stronger basis to defend their scoping decisions. Going forward, opponents will have to challenge the agency's reasoning within the EIS itself, rather than argue that NEPA mandates exploring every potential secondary effect.

Conclusion

Seven County Infrastructure Coalition v. Eagle County is a pivotal win for project sponsors and agencies and a referendum on the scope creep of indirect environmental effects analysis under NEPA. By clarifying that NEPA review is limited to an agency's authorized action, the decision reduces uncertainty and permits agencies to concentrate on the local impacts of proposed projects. Businesses and developers should be encouraged by this ruling, which should enable large projects, including desperately needed infrastructure projects, to proceed with greater certainty.

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