



Mountain Valley Pipeline Litigation Tests Congress's Power to Limit Federal Court Jurisdiction

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The [Mountain Valley Pipeline](#) (Pipeline), currently under construction, is planned as a 303-mile natural gas transmission pipeline that would link natural gas fields in West Virginia to the existing Transco pipeline in Virginia. Mountain Valley Pipeline, LLC (MVP), the company constructing the Pipeline, [reports](#) that the project is roughly 94% complete, but it has faced numerous permitting challenges in federal court. On July 27, 2023, the Supreme Court issued an [order](#) that allowed pipeline construction to proceed while litigation continued.

A key issue in recent Pipeline litigation was the effect of the [Fiscal Responsibility Act of 2023](#) (P.L. 118-5, the FRA). Section 324 of the FRA sought to resolve the permitting issues related to the Pipeline by directing federal agencies to issue any necessary permits or approvals and by limiting the federal courts' jurisdiction to hear challenges to those actions. The legislation raised legal questions about [Congress's power to regulate federal courts](#) in ways that affect pending legislation. Opponents of the Pipeline argued that FRA Section 324 represents congressional interference with the judicial branch that violates the constitutional separation of powers. The federal government and MVP argued that the legislation is a valid change to the applicable substantive law and the federal courts' jurisdiction.

This Legal Sidebar provides an overview of recent litigation involving the Pipeline, focusing on the separation of powers arguments related to the FRA.

Pipeline Litigation in *Appalachian Voices*

As outlined in a previous [CRS Insight](#), construction and operation of the Pipeline require numerous federal and state permits. Opponents of the Pipeline have filed multiple lawsuits challenging various agency actions related to the project. Many of those cases have been litigated in the U.S. Court of Appeals for the Fourth Circuit, the federal court with jurisdiction over the states where the Pipeline is being constructed. In the past several years, the Fourth Circuit has vacated approvals by the [Bureau of Land Management](#), the [U.S. Forest Service](#), the [U.S. Army Corps of Engineers](#), and [state regulators](#) that were necessary for construction of the Pipeline. The same panel of three Fourth Circuit judges decided most of

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the cases related to the Pipeline, leading MVP to [contend](#) that there could be a perception of unfairness in that venue.

Three recent cases—consolidated in the Fourth Circuit under the name *Appalachian Voices v. U.S. Department of the Interior*—are particularly relevant to the dispute over FRA Section 324. The litigation in *Appalachian Voices* began on April 10, 2023, when a group of environmental organizations filed a petition for review in the Fourth Circuit. The petitioners challenged the U.S. Fish and Wildlife Service’s Biological Opinion and Incidental Take Statement (BiOp and ITS) for the Pipeline, two elements of the [interagency consultation process](#) under the Endangered Species Act, arguing that the agency failed to properly consider relevant factors in issuing the BiOp and ITS. Later, the Wilderness Society filed two additional petitions for review of decisions of the U.S. Forest Service and the Bureau of Land Management granting other needed approvals for the Pipeline. MVP intervened in each of the cases to defend validity of the challenged agency actions, and the Fourth Circuit consolidated the three cases.

The Fiscal Responsibility Act of 2023 and Jurisdiction Stripping

On June 3, 2023, President Biden signed the [Fiscal Responsibility Act of 2023](#). Section 324(c) of the FRA provides:

Notwithstanding any other provision of law ... Congress hereby ratifies and approves all authorizations, permits, verifications, extensions, biological opinions, incidental take statements, and any other approvals or orders issued pursuant to Federal law necessary for the construction and initial operation at full capacity of the Mountain Valley Pipeline[.]

The same subsection further directs the relevant federal agencies to “continue to maintain” relevant approvals or orders necessary for the construction and operation of the Pipeline.

The FRA also includes language apparently intended to foreclose further consideration of the Pipeline by the Fourth Circuit. Section 324(e)(1) of the FRA provides: “Notwithstanding any other provision of law, no court shall have jurisdiction to review” actions of certain federal or state agencies granting approvals necessary for the construction and operation of the Pipeline, “whether issued prior to, on, or subsequent to the date of enactment of this section, and including any lawsuit pending in a court as of the date of enactment of this section.” To the extent Pipeline opponents might challenge that jurisdictional provision itself, Section 324(e)(2) grants the U.S. Court of Appeals for the District of Columbia Circuit “original and exclusive jurisdiction over any claim alleging the invalidity of this section or that an action is beyond the scope of authority conferred by this section.”

Section 324(f) of the FRA provides that Section 324 “supersedes any other provision of law ... that is inconsistent with the issuance of any authorization, permit, verification, biological opinion, incidental take statement, or other approval” for the Pipeline.

Provisions such as FRA Section 324(e) implicate Congress’s constitutional authority to establish and regulate the lower federal courts. The constitutional separation of powers limits such regulation. In 1872, the Supreme Court held in *United States v. Klein* that Congress violated the separation of powers when it enacted legislation that limited federal court jurisdiction in a way that “prescribe[d] a rule for the decision of a cause in a particular way.” As discussed in more detail in a [CRS Report](#), subsequent Supreme Court decisions have reiterated the limits announced in *Klein* but have distinguished that case and rejected separation of powers challenges to other legislation stripping federal courts of jurisdiction. For example, the Supreme Court upheld a jurisdiction-stripping provision in 2018 in *Patchak v. Zinke*. Although no opinion in *Patchak* gained the support of a majority of the Court, Justice Thomas’s plurality opinion summarized this principle: “Congress violates Article III when it compels findings or results under old law. But Congress does not violate Article III when it changes the law.”

FRA Dispute in *Appalachian Voices*

The litigation over the Pipeline and the enactment of the FRA brought two key issues before the Fourth Circuit. First, petitioners challenging the Pipeline filed motions to stay the challenged agency actions pending judicial review. (A stay is a form of temporary [injunctive relief](#) that essentially serves to pause litigation or other proceedings.) In these cases, a stay of one or more agency approvals would mean that MVP would not be able to move forward with construction or operation of the Pipeline while the Fourth Circuit considered the petitioners' challenges. The federal government and MVP opposed the stay motions.

Meanwhile, MVP and the federal government filed motions to dismiss the consolidated petitions for review in *Appalachian Voices* for lack of jurisdiction. MVP and the government argued that Section 324(e) of the FRA deprived the Fourth Circuit of subject matter jurisdiction over the petitions for review. As the company described Section 324(c) of the FRA, "Congress explicitly 'ratifie[d] and approve[d]' all federal authorizations, permits, and other actions necessary for the construction and operation" of the Pipeline, "[n]otwithstanding any other provision of law." Both MVP and the government also asserted that because of that authorization, the petitioners' challenges to agency approvals of the Pipeline based on pre-FRA law must fail, so the cases had become moot because the court could no longer award the petitioners' requested relief.

The [petitioners opposed](#) the [motions to dismiss](#), arguing that FRA Section 324 could not validly require dismissal because Section 324 was unconstitutional. The petitioners relied on *Klein*, arguing that Section 324 violates separation of powers limits by requiring courts to decide cases in a certain way. The petitioners recognized the recent decision upholding a jurisdiction-stripping provision in *Patchak*, but they argued that the case was not binding because no reasoning earned the support of more than four Justices. The *Appalachian Voices* petitioners instead asked the court to adopt the reasoning of the dissent in *Patchak*, in which Chief Justice Roberts, joined by Justices Kennedy and Gorsuch, argued that Congress impermissibly "exercises the judicial power when it manipulates jurisdictional rules to decide the outcome of a particular pending case."

On July 10 and 11, 2023, the Fourth Circuit issued orders [staying the relevant agency actions](#) during the pendency of the petition for review. As is common with orders granting or denying temporary injunctive relief, the court's decisions disposed of the motions for stay without written analysis of the legal issues presented. On July 14, 2023, MVP filed with the Supreme Court an [emergency application to vacate the stays](#). The federal government [supported the application](#), as did the [House of Representatives](#) and several Members of Congress (as *amici curiae*).

On July 27, 2023, the Supreme Court [granted](#) the application to vacate the stays issued by the Fourth Circuit. The Court disposed of the application for vacatur on its [non-merits docket](#). Like most of the Court's non-merits orders, the vacatur order did not include a written opinion explaining the Court's reasoning. While the Court may have considered the constitutionality of Section 324 in ruling on the stay application, the order did not discuss the merits of the case, including whether Congress validly limited federal court jurisdiction to consider challenges to the Pipeline. Notably, therefore, the Supreme Court's action did not require the Fourth Circuit to dismiss the petitions for review that challenged the Pipeline.

On August 11, 2023, the Fourth Circuit [granted the motions to dismiss](#) the petitions for review in *Appalachian Voices*. Judge Wynn's opinion for a unanimous panel held that FRA Section 324(c) rendered the petitions moot by ratifying and approving all necessary authorizations for the Pipeline and that FRA Section 324(e)(1) eliminated the Fourth Circuit's jurisdiction over the petitions. Judge Gregory and Judge Thacker each wrote a concurring opinion. Judge Gregory's concurrence agreed that the case must be dismissed under current law but expressed concern that if Section 324 was constitutional, "Congress will have found the way to adjudicate by legislating for particular cases and for particular litigants, no different than the governmental excesses our Framers sought to avoid." Judge Thacker wrote that

“Congress has acted within its legislative authority in enacting Section 324(e)(2),” but “Congress’s use of its authority in this manner threatens to disturb the balance of power between co-equal branches of government.”

Looking Forward and Considerations for Congress

The Supreme Court’s order vacating the Fourth Circuit’s stays [allowed construction of the Pipeline to resume](#) but left open the possibility that the Fourth Circuit could render a final decision granting some relief to the petitioners. The Fourth Circuit’s subsequent dismissal of the petitions for review has foreclosed that possibility, allowing MVP to continue the challenged construction activities.

The petitioners challenging the Pipeline may seek Supreme Court review of the dismissal by filing a petition for a writ of certiorari. If the petitioners sought Supreme Court review, the Court would have [discretion whether to hear the case](#).

Both [Judge Gregory’s](#) and [Judge Thacker’s](#) concurrences in the Fourth Circuit’s dismissal decision raised questions about the scope of Congress’s power to strip federal courts of jurisdiction over pending cases and noted that the Supreme Court could provide additional guidance on the issue. Congress may also evaluate those questions, among others, when considering future jurisdictional changes that could affect pending litigation. As a matter of current law, however, the Fourth Circuit’s dismissal decision in *Appalachian Voices* demonstrates that Congress has significant authority to change substantive law and alter federal court jurisdiction in ways that influence pending cases.

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