

## PROCEEDINGS

SPECIAL MASTER LANCASTER: Good morning, counsel. This is Ralph Lancaster.

MR. WINSOR: Good morning, your Honor. This is Allen Winsor here with a group of others including Chris Kise, our outside counsel, and Jon Glogau. We're for Florida.

SPECIAL MASTER LANCASTER: Thank you very much.

MR. PRIMIS: Good morning, your Honor. For Georgia, this is Craig Primis from Kirkland \& Ellis. I have two colleagues here with me. And I believe Nels Peterson and Britt Grant from the State of Georgia have also dialed in separately.

PETERSON/GRANT: We have.
SPECIAL MASTER LANCASTER: Thank you very much.

With me is Joshua Dunlap. Josh will be acting as our case management assistant and law clerk. I also have Claudette Mason, who is the court reporter. Her telephone number is (207) 797-6040, and her e-mail is reportgrp@maine.rr.com.

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First, let me begin by thanking counsel for submitting the joint responses to the topics for our meeting this morning. I have done a couple of these before, as you probably know; and I must say this is the first time counsel have met before the conference and submitted anything. So thank you very much. It's very helpful.

Let's begin, if we may, with a slight suggestion that all of the people who are on this conference call be identified. And I think we have done that already, but I just want to be sure that we have all of the names of the people.

MR. WINSOR: Your Honor, this is -- your Honor, this is Allen Winsor. I might identify additional outside counsel who I believe have called in. And that's Donald Blankenau and Tom Wilmoth. Also from my office, Osvaldo Vazquez is here.

SPECIAL MASTER LANCASTER: Do we have --
MR. LEOPOLD: Your Honor, this is Matt
Leopold. I'm the general counsel for Florida Department of Environmental Protection. And my colleague here is Jeff Brown.

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SPECIAL MASTER LANCASTER: Are there any other -- I'm sorry?

MR. GRAY: Yes, your Honor. This is Michael Gray from the Department of Justice on behalf of the Corps of Engineers. I believe my colleague Jim Dubois is also on the line.

MR. PRIMIS: Your Honor, again, Craig Primis for Georgia.

I have got Winn Allen and Sarah Warren, both of Kirkland \& Ellis, with me here in Washington, D.C. I identified the folks from the State of Georgia. And I also believe that Seth Waxman from the Wilmer, Hale firm is on the phone as well.

MR. WAXMAN: That's correct. Good morning.

SPECIAL MASTER LANCASTER: Good morning, sir.

MR. WINSOR: And, your Honor -- Allen Winsor here. I neglected to mention Jonathan Glogau, also with the Attorney General's Office, who is with us. I apologize.

SPECIAL MASTER LANCASTER: All right.
MR. PETERSON: Your Honor, this is Nels THE REPORTING GROUP Mason \& Lockhart

Peterson in the Georgia Attorney General's Office. I have with me Britt Grant and John Henley.

SPECIAL MASTER LANCASTER: Are there any others?

All right. Thank you, counsel. Let me suggest, please, that those who are going to speak identify themselves, at least at the beginning. And if there's any complexity to that process, let me know. But the court reporter will need to know who is speaking, at least until we are familiar with each other's voices.

Now, let me address, first, the question of pleadings. As $I$ understand it, Georgia's answer is due sometime later this week. Is that correct?

MR. PRIMIS: No, your Honor -- this is Craig Primis for the State of Georgia.

The Supreme Court granted an agreed extension to file the answer. It is currently due on February 2 .

SPECIAL MASTER LANCASTER: Was that on the Supreme Court docket?

MR. PRIMIS: I believe it was just THE REPORTING GROUP

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added. If not, we have the communication from Cynthia Rapp in the clerk's office; and we can forward that to you.

SPECIAL MASTER LANCASTER: I would appreciate that very much because my understanding was that the original Order was for 30 days from the date of the appointment, which would take it to either December 3 or 4. But, now, I understand it is February?

MR. PRIMIS: February 2, 2015 .
And your understanding is correct; there was a period of time where it was unclear where the extension request should be filed. And we did submit it directly to the Supreme Court, I believe, before your appointment. And we heard last week that it had been granted.

SPECIAL MASTER LANCASTER: All right. That will change my schedule a little bit.

So that's the only pleading that we know about at this point, Georgia's answer?

MR. PRIMIS: Correct.
SPECIAL MASTER LANCASTER: Neither
Florida nor Georgia anticipates filing
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anything else at this point?
MR. WINSOR: Your Honor, this is Allen Winsor from Florida; and that's correct.

MR. PRIMIS: Craig Primis for Georgia.
At the present time, that is our understanding, too.

SPECIAL MASTER LANCASTER: Thank you.
Well, counsel, the Case Management Plan will memorialize what we discuss today; and it will be issued by a Case Management Order. In paragraph, $I$ think it was 7 of your submission there was a suggestion that you were going to be drafting a Case Management Plan. Let me tell you that that won't be necessary. We will prepare and distribute a Case Management Plan and a Case Management Order; and that will be followed periodically by supplemental Case Management Orders.

Now, having said that, let me just tell you that if you disagree with anything in either the Case Management Order or the Case Management Plan, you should feel free to quarrel with me about it. But you should do it promptly because, otherwise, your suggestions may be disregarded.

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MR. WINSOR: Yes, sir.
SPECIAL MASTER LANCASTER: Now, let me turn then to some housekeeping items. The method of communicating will be in the first instance by e-mail, PDF. But in your submission, you suggested that hard copies would not be necessary unless requested. I'm sorry, but hard copies are required and will be required.

For example, $I$ would like to have a hard copy of the complaint sent to me so that $I$ will have it for the file. And any subsequent pleading, we will require three copies for Pierce Atwood sent by hard copy.

Now, similarly, $I$ request that you
forward hard copies to each of the parties. They can tell us now or tell you later how many copies they want.

Florida?
MR. WINSOR: Your Honor, one copy is fine for florida. And we will be happy to forward you three hard copies of the complaint today.

SPECIAL MASTER LANCASTER: Thank you. Georgia?

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MR. PRIMIS: For Georgia, this is Craig Primis.

We, likewise, will only need one copy; and we'll take responsibility to distribute it to anyone on the Georgia side who needs it.

SPECIAL MASTER LANCASTER: All right.
Thank you very much.
And am $I$ correct that Georgia has a single e-mail address that can be used for all appropriate individuals and that Florida will be similarly preparing filing one?

MR. WINSOR: Yes, your Honor. We're going to work on that.

SPECIAL MASTER LANCASTER: That will clearly simplify our lives, and I thank you very much for that.

Now, turning to procedural rules, I assume you understand that Supreme Court Rule 17 is the only one that applies here. Pursuant to 17.2, the Federal Rules of Civil Procedure will act as a guide on pleadings and motions. I'll incorporate this in the CMP; but $I$ anticipate that it will be something like Rules 26 to 37 and 45 as THE REPORTING GROUP Mason \& Lockhart
modified. For example, $26(a)$ will not apply.
Now, on discovery, I suspect from the filings -- and you can assume that -understand that Josh and I have already read everything that was on the docket, although I won't suggest that we're thoroughly immersed in the case at this point. But anticipating discovery needs, I suspect that you have already done extensive filing, extensive discovery. Am I correct?

MR. WINSOR: No, your Honor -- this is Allen Winsor from Florida -- we have not commenced any discovery among the parties.

SPECIAL MASTER LANCASTER: But you plan to?

MR. WINSOR: Yes, your Honor.
SPECIAL MASTER LANCASTER: Well, no copies of any discovery materials should be sent to me during the discovery period. I want to avoid the need for interlocutory or interim reports, if $I$ can. But you -- let me just warn you that $I$ plan to set a schedule which won't be a rocket docket, but it won't be a stagecoach either. Perhaps a jet plane is more appropriate. And you should plan and THE REPORTING GROUP Mason \& Lockhart
staff accordingly.
There is one Original action with a Special Master which has been pending for three years. I do not intend to follow that model. And if you have followed my work in the other Special Master appointments that I have had, you will know that I try to keep people's feet to the fire; and this one will be no different.

So let's turn to procedural disputes. I suggest -- in fact, $I$ require that you discuss and attempt to resolve any procedural disputes and consult me only as a last resort. The CMP will control that process, as you will see when it's published; and it will be published shortly.

I take it from your submission that you know of no potential intervenors; is that correct? Florida?

MR. WINSOR: Yes, your Honor. That's correct.

SPECIAL MASTER LANCASTER: Georgia?
MR. PRIMIS: For Georgia we are not aware of anyone who has articulated yet that they plan to intervene. We identified THE REPORTING GROUP Mason \& Lockhart
previous intervenors, and it's possible that one of them could seek to intervene here. But we don't have any present information or understanding that there is an intervention motion that is about to be filed.

SPECIAL MASTER LANCASTER: And I agree with your suggestion that we deal with interventions on a case-by-case basis if anyone attempts to intervene.

Now, how about the United States
participation here? Is there someone from the Solicitor General's Office on this phone?

MR. GRAY: Well, your Honor, this is
Michael Gray from the Department of Justice. I'm not in the Solicitor General's Office; I'm in the Environmental and Natural Resources division. The way that these -- we generally handle these is that the Solicitor General is the counsel of record; but the trial attorneys from the environment division are the front-line attorneys.

I can tell you that we're still in the process of determining whether the United States will seek to intervene. As you know, we were invited to participate as amicus and THE REPORTING GROUP Mason \& Lockhart
filed a brief in which we laid out the primary interest that we have identified to this point just ensuring that we have as minimal of interference as possible with the Corp's process to revise the master manual and ensuring that the federal project purposes are taken into account. And we're still evaluating whether intervention is necessary to protect those interests. And that evaluation is going to be informed by how the case proceeds, including the filing of the answer.

But in the meantime, we intend to continue participating as amicus and would like, you know, an opportunity to be served as well. And $I$ can provide the e-mail addresses if we could get a hard copy sent to the Solicitor General's Office for their files. I think one hard copy would be sufficient, and $I$ believe you and the parties have that address.

SPECIAL MASTER LANCASTER: Thank you for that.

Florida, comment?
MR. WINSOR: We have certainly no THE REPORTING GROUP Mason \& Lockhart
objection to including them in service and things like that in proceedings, Mr. Gray. SPECIAL MASTER LANCASTER: Georgia? MR. PRIMIS: Craig Primis for Georgia. Same. We certainly have no objection. And whether as an intervenor or as an amicus or just an interested party, the United States and the Army Corps is going to be a fixture in this case. And we think it's important to keep them apprised of the status of our litigation and, likewise, to keep the parties in this case apprised of the status of their project, which is so critical to this case.

SPECIAL MASTER LANCASTER: We, of course, have read the excellent and very thorough brief that was filed by the Solicitor General and totally disregarded by the Court. Does the -- I'm going to suggest that the Solicitor General's Office file a statement of intent. How much time will you need for that?

MR. GRAY: Well, I'm not sure I -- do you want to have the statement of intent before the answer is filed; or would we have THE REPORTING GROUP Mason \& Lockhart
an opportunity to be able to see the answer before filing that?

SPECIAL MASTER LANCASTER: Well, I think it would be difficult for you to file it without seeing the answer.

MR. GRAY: I agree. And I would -- I would appreciate maybe -- maybe a couple of weeks after the answer is filed.

SPECIAL MASTER LANCASTER: Well, the answer is due on -- in February -February 2, was it, or February --

MR. DUNLAP: February 2.
SPECIAL MASTER LANCASTER: February 2.
MR. GRAY: Yes, sir.
SPECIAL MASTER LANCASTER: Let me suggest February 9. And if that doesn't work, you can ask for an extension. All right?

MR. GRAY: Okay. Thank you very much. SPECIAL MASTER LANCASTER: You're welcome.

When we issue the CMP, there will be a timeline sent for events with deadlines. And, again, if you want to quarrel with those, you can let me know; and we'll arm THE REPORTING GROUP Mason \& Lockhart
wrestle about them.
If there are to be face-to-face status conferences, do you have a preference as to where you want to meet?

Florida?
MR. WINSOR: Your Honor, we talked about that some. And, certainly, you know, we want to accommodate what's convenient for you. I can tell you we have counsel in different -for both parties in different parts of the -of the country. So that's good to keep in mind. And Washington, D.C., is someplace that we have mentioned. And then we also had discussed -- by we I just mean the Florida team; we have not discussed this with Georgia -- Charlotte, which has good flights and is a good flight hub and may allow a convenient meeting place. But, ultimately, you know, we'll defer to you.

SPECIAL MASTER LANCASTER: Yes. Maine is a wonderful place to live, but you can't get there from here. There is no direct flight from anywhere to here, so it doesn't matter as far as that's concerned.

Georgia?
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MR. PRIMIS: Likewise, your Honor, we have had some internal preliminary discussions about this. Our principal counsel are located in Atlanta and in Washington, D.C. And so anyplace that would be convenient to either of those locations would work for us. And our intent in this regard would be to be cooperative and to defer to your Honor and anyplace that works for everyone.

SPECIAL MASTER LANCASTER: Well, let's tentatively and without putting it in concrete just set Washington, D.C., as a place for any face-to-face conferences or for any hearings at the moment. We'll leave it that way. And that can change as we go along since, right now, we don't have to set up any meetings for anyplace other than Maine in the wintertime.

Just so you're aware, my secretary's name is Mary Clifford. And she will act as a District Court clerk would for filings inasmuch as there is no docket in the Supreme Court. And we will post on our website -on the firm's website, a small link or icon THE REPORTING GROUP Mason \& Lockhart
that will have all of the pleadings on it so that -- just as a docket in the District Court would, so that you can refer to that.

And $I$ say we will do that because I'm at the disposal of the IT people in this darned firm or the darned IT people in this firm, rather. And although I have requested that that be done, it's not up yet. But I expect it will be up within a week.

So you can go there. And usually in the past, it's been at the lower right-hand corner of the -- of the website. I can't guarantee where it's going to be this time, however, because of their -- I don't have any control over them, as you can tell.

Let me turn to compensation and reimbursement, if $I$ may. My current hourly rate is $\$ 650$, and Josh's current hourly rate is $\$ 275 . \quad$ I propose to charge $\$ 550$ for my rate and $\$ 225$ for Josh's rate, mindful of comments Justices Burger and Rehnquist made about the public service aspect of this process. And unless you -- I hear objections, those will be the rates, the lower rates.

There will be standard disbursement expenses, travel, overnight delivery, print reports. I anticipate that the report which has to be printed at the end will constitute the only major expense.

Some Special Masters I know escrow amounts and ask them to be funded up front. I prefer periodic bills. When I think the charges are large enough, I will send a letter to the Court with copies to you. The cover letter will have 10 days for comments; but those comments should go to the Court only, not to me.

In the past, I have assessed these charges equally; but be warned that I have discretion to modify them if it's warranted by any egregious behavior.

As far as the charges to the Solicitor General, at this point $I$ don't know what, if any, participation the Solicitor General is going to have. But we will consider that down the road.

Now, I would like to have monthly telephone conferences which would be set three months in advance. And we can alter THE REPORTING GROUP Mason \& Lockhart
that schedule to accommodate counsel. That will give us an opportunity to brief the discovery progress by e-mail before each monthly conference and then the conference itself.

I had originally planned, anticipating that Georgia was going to have to file its answer this week, to have the first e-mail on December 22 and the first conference on December 29. That obviously is not possible now. And $I$ am embarrassed to say I don't have a calendar in front of me; but we will set forth a schedule for the next three conferences and the three e-mails to precede them in the CMP. All of those conferences will be scheduled at 10 a.m., as this one was. And then during the third conference, we'll talk about the progress we have made or haven't made; and we'll add months -- two months to those dates so that we'll have a rolling calendar.

Now, a couple of last items for me. It would be very helpful to us if counsel could agree on a blown-up map of the area, say, I don't know, 36 by 18 or 40 by 20 or something THE REPORTING GROUP Mason \& Lockhart
like that. I have before me a map of the Chattahoochee-Flint River Basin, the ACF Basin, and the Apalachicola -- one of the difficulties I'm going to have here is learning how to pronounce these things -- the Apalachicola-Chattahoochee-Flint River Basin. But it would be helpful to us to have that blown-up map, if you can agree, and send it in to us.

MR. WINSOR: Yes, sir -- this is Allen Winsor. We'll work to get that done.

SPECIAL MASTER LANCASTER: Thank you.
The media. As you're aware, the media, particularly in Florida and Georgia, will pick up on this. They're going to be looking for comments. And I have no authority or interest in trying to put a gag order in. But I do suggest to you that you use restraint in correspondence with or discussions with the media. My long-term experience with them is that they will take things out of context, and you'll be trying to explain them for the rest of your lives. If you want to defer them or avoid them, you can simply refer them to the Supreme THE REPORTING GROUP Mason \& Lockhart

Court's Public Information Office. That number is (202) 479-2211 or -- I'm sorry, 32 -- well, 3211 .

Now, finally from me, given the political climate and the complexity of this matter, it may be impossible, but $I$ urge both states to seriously consider and, if there is any possibility, to confer about settlement here. No weakness will be inferred by me if one state initiates the discussion. It will, rather, be because of my urging. I won't be involved in any settlement discussions. But if you think the process can be helped by the intervention or assistance of some third party, I'm happy to cooperate with you in the selection or identification of a mediator.

Let me warn you that this isn't the last time you're going to hear this drum beat. I have tried a lot of cases over my career. I have never regretted one $I$ have settled. I have regretted the very few I have lost.

The other item that's -- should be high on your agenda is the cost of this thing. It is going to be very, very expensive if it drags on. So you're going to hear that from THE REPORTING GROUP Mason \& Lockhart
me again just as you're going to hear about settlement as things go forward.

Now, let me just pause and ask Josh; have I left out anything or have I missed anything?

MR. DUNLAP: I don't believe so.
SPECIAL MASTER LANCASTER: All right.
Let me ask; any other matters from Florida?
MR. WINSOR: No, your Honor.
SPECIAL MASTER LANCASTER: Any other
matters from Georgia?
MR. PRIMIS: No, sir.
SPECIAL MASTER LANCASTER: Any other matters from the Solicitor General's stand-in?

MR. GRAY: No, sir.
SPECIAL MASTER LANCASTER: All right.
The court reporter I identified at the beginning is extraordinary, as you will see. She's going to want to know about copies of transcripts and where she should send them. So I'm going to leave you to ask her -- tell her what you want if you would. Her name, again, is Claudette Mason.

Florida?
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MR. WINSOR: Your Honor, this is -- your Honor, did you want us to do that now?

SPECIAL MASTER LANCASTER: Yes, please.
MR. WINSOR: Your Honor, this is Allen Winsor; and we would like a copy of the transcript, please. And she may e-mail it to my address, which is on the pleadings.

SPECIAL MASTER LANCASTER: Georgia?
MR. PRIMIS: Your Honor, we'll get that information to her.

SPECIAL MASTER LANCASTER: Okay. Thank you very much.

Is there anything else? Florida?
MR. WINSOR: I don't believe so, your Honor.

SPECIAL MASTER LANCASTER: Georgia?
MR. PRIMIS: No, your Honor.
SPECIAL MASTER LANCASTER: Anyone else on the phone who has anything they want to discuss?

Counsel, thank you very much. I hope we are as cordial and as friendly when this is over as we are at the beginning. And I'll do my best to make sure that happens.

Thank you for your participation.
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MR. WINSOR: Thank you.
MR. PRIMIS: Thank you, your Honor.
(The telephone conference was concluded at 10:28 a.m.)
$-\quad-\quad-\quad-\quad-\quad-$

CERTIFICATE
I, Claudette G. Mason, a Notary Public
in and for the State of Maine, hereby certify

$$
\text { that the foregoing } 26 \text { pages are a correct }
$$ transcript of my stenographic notes of the above-captioned proceedings.

I further certify that $I$ am a disinterested person in the event or outcome of the above-named cause of action.

IN WITNESS WHEREOF, I subscribe my hand this 5th day of December, 2014.

My Commission Expires
June 9, 2019.

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| ```submit [1] - 6:15 submitted [1] - 3:7 submitting[1]-3:2 subscribe [1] - 26:10 subsequent [1] - 8:13 sufficient [1] - 13:20 suggest [6] - 5:7, 10:6, 11:11, 14:19, 15:16, 21:18 suggested [1]-8:6 suggestion [3] - 3:10, 7:12, 12:7 suggestions [1] - 7:25 supplemental [1] - 7:18 SUPREME [1]- 1:1 Supreme [6] - 5:20, 5:24, 6:15, 9:19, 17:23, 21:25 suspect [2] - 10:2, 10:8``` 2:23, 19:24, 25:3 tentatively [1] - 17:12 term [1] - 21:20 thanking ${ }_{[1]}$ - 3:1 THE [1]-1:1 themselves [1]-5:8 third [2]-20:17, 22:14 THOMAS ${ }_{[1]}-1: 17$ thorough [1] - 14:17 thoroughly ${ }_{[1]}$ - 10:6 three [6]-8:13, $8: 22$, 11:4, 19:25, 20:13, 20:14 timeline [1] - 15:23 today [2]-7:9, $8: 23$ Tom [1] - 3:19 topics [1] - 3:3 totally ${ }_{[1]}-14: 18$ transcript [2]-24:6, 26:5 transcripts [1] - 23:21 travel [1] - 19:2 trial [1]-12:20 tried [1] - 22:19 try [1]-11:7 trying [2]-21:17, 21:22 turn [3] - 8:3, 11:10, | ```18:16 turning [1] - 9:18 two [2]-2:13, 20:19 \\ U \\ U.S.A \({ }_{[1]}-1: 23\) \\ ultimately [1]-16:18 \\ unclear [1] -6:13 \\ United [3]-12:10, 12:23, 14:7 \\ UNITED [1] - 1:1 unless [2] - \(8: 7\), 18:23 \\ up \([7]-17: 17,18: 8\), 18:9, 19:7, 20:24, \\ 21:8, 21:15 \\ urge [1] - 22:6 \\ urging [1] - 22:11```  |  |
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