



No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1975

UNITED STATES OF AMERICA, PLAINTIFF

v.

STATE OF LOUISIANA

OBJECTIONS OF THE UNITED STATES TO THE STATE OF
LOUISIANA'S ACCOUNTING OF AUGUST 15, 1975

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Paragraph 6(a) of this Court's decree of June 16, 1975, required the State of Louisiana to "render to the United States and file with the Court a true, full, accurate and appropriate account of any and all other sums of money¹ derived by the State of Louisiana since June 5, 1950, either by sale, leasing, licensing, exploitation or otherwise from or on account of any of the lands, minerals or resources described in paragraph 1 hereof."²

Paragraph 6(c) of the decree provides that "[w]ithin 60 days after receiving the account provided for by paragraph 6(a) or 6(b) hereof, a party may serve on the other and file with the Court its objections thereto."

¹ That is to say, other than impounded money which had been provided for in the preceding paragraph.

² Paragraph 1 described submerged lands more than 3 miles from the coast of Louisiana.

On August 15, 1975, the State filed its "First Accounting of the State of Louisiana Required by the Supplemental Decree Rendered on June 16, 1975." These objections are filed in response to that accounting as required by paragraph 6(c) of the June 16, 1975 decree.

First, the United States objects to Louisiana's failure to account for all sums collected from federal submerged lands and not impounded. Instead Louisiana has accounted for revenues received from whole leases only. Leases lying partially on federal lands and partially on state lands were ignored. This makes it impossible to verify the figures submitted by Louisiana in Sections 2 through 4 of Louisiana's accounting, or to calculate a net balance as anticipated by Section 6(c) of the decree, and the United States objects to those figures.

The United States also objects to Louisiana's conclusions that the United States is not due much of the money collected by the State from federal lands.

In Section 3 of its accounting the State denies liability for money collected from "Zone 1" even though the lands involved have been adjudicated to the Federal Government. Zone 1 was based on the so-called "Chapman Line" and established as part of a proce-

ture for continuing exploitation of submerged lands off the coast of Louisiana under the Interim Agreement of October 12, 1956. By its own terms that agreement provides that "[n]o inference or conclusion of fact or law from the said use of the so-called 'Chapman Line' or any other boundary of said zones is to be drawn to the benefit or prejudice of any party hereto or of any third party." The United States therefore objects to Louisiana's conclusion that any sum is not due solely because it was collected from within Zone 1.

In Section 4 of its accounting the State denies liability for severance taxes attributable to mineral leases on federal lands. Louisiana gives no basis for its position and the United States objects. These taxes, which are in fact a form of royalty, are admitted to have been collected from lands adjudicated to the United States and should be paid over to the federal government.

The United States objects to Louisiana's failure to list lessees, in Section 5 and Exhibit D, from whom dual payments were collected. This failure makes it extremely difficult for the United States to verify that Section of the accounting and we must therefore object to those figures.

The United States admits that it is not due any of the sums referred to by Louisiana in Sections 6 and 7, and Exhibit E of the State's accounting.

CONCLUSION

For the foregoing reasons the State of Louisiana should account for all sums derived since June 5, 1950, either by sale, leasing, licensing, exploitation or otherwise from or on account of any of the lands, minerals or resources described in paragraph 1 of this Court's decree of June 16, 1975.

Respectfully submitted.

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