OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

F. DALE ROBERTSON, CHIEF OF THE FOREST SERVICE, ET AL., Petitioners V. METHOW VALLEY CITIZENS COUNCIL, ET AL.; and JOHN O. MARSH, JR., SECRETAPY OF THE ARMY, ET AL., Petitioners V. OREGON NATURAL RESOURCES CAPTION: COUNCIL, ET AL.

CASE NO: 87-1703 & 87-1704

PLACE: WASHINGTON, D.C.

DATE: January 9, 1989

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1	IN THE SUPREME COURT OF THE UNITED STATES
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3	F. DALE ROBERTSON, CHIEF OF THE :
4	FOREST SERVICE, ET AL., :
5	Petitioners, :
6	v. : No. 87-1703
7	METHOW VALLEY CITIZENS COUNCIL, :
8	ET AL.; and :
9	х
10	JOHN O. MARSH, JR., SECRETARY OF :
11	THE ARMY, ET AL.,
12	Petitioners, :
13	v. : No. 87-1704
14	OREGON NATURAL RESOURCES COUNCIL, :
15	ET AL.
16	х
17	Washington, D.C.
18	Monday, January 9, 1989
19	The above-entitled matter came on for oral
20	argument before the Supreme Court of the United States
21	at 10:03 o'clock a.m.
22	AP PEAR ANCE S:
23	CHARLES FRIED, ESQ., Solicitor General, Department of
24	Justice, Washington, D.C.; on behalf of the
25	Petitioners.

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DAVID A. BRICKLIN, ESQ., Seattle, Washington; on behalf

of the Respondents.

CONIENIS

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PROCEEDINGS

(10:03 a.m.)

CHIEF JUSTICE REHNQUIST: We'll hear argument first this morning in No. 87-1703, Dale Robertson v. Methow Valley Citizens Council and a companion case.

Mr. Fried, you may proceed whenever you're ready.

ORAL ARGUMENT OF CHARLES FRIED

ON BEHALF OF THE PETITIONERS

MR. FRIED: Thank you, Mr. Chief Justice, and may it please the Court:

This Court, in a series of cases, has made quite clear what NEPA does and does not require. NEPA requires analysis and disclosure. It requires that the agency take a hard look at environmental effects of proposed action, and public participation and assurance that this hard look has been taken.

It does not require -- and CEQ regulations

make this clear -- more and more information. More is

not necessary more -- more. Sometimes it is less. That

is why this Court imposes page limits.

The function of the environmental impact statement is to inform the decision maker, not to bullet-proof him against obstructionist litigation.

Furthermore, the -- the Court has made quite

clear what NEPA does not do. It does not impose any substantive environmental requirements, nor does it dictate the relative weights to be given to environmental as opposed to other concerns. In this respect, it's worth contrasting NEPA with the Endangered Species Act or Section 4(f) of the Transportation Act.

The court of appeals in these cases ignored these general precepts in overturning not only the agency's decisions, but those of reviewing district courts, and it made two specific legal errors common to both cases.

First, it demanded that the agency not just discuss and consider mitigation opportunities, but that it commit in the plan to complete and effective mitigation measures. The Respondents should not be allowed to hide behind the confusion that this substantive obligation is put forward as a requirement of what is supposed to be an analytic and descriptive document.

QUESTION: Mr. Fried, may I inquire of you?

The statutory language of NEPA says that the agency has to describe in detail the adverse environmental effects which can't be avoided. Now, in this case do you think that a mere listing of possible mitigating measures without any consideration or discussion of how they

might be employed would suffice to meet that statutory language?

MR. FRIED: Justice O'Connor, I think here as throughout what governs is the rule of reason. And the more significant the environmental impact and the more important the mitigation, of course, the greater the obligation to go into detail.

This is very well illustrated by one of the things out of which the court of appeals made such heavy weather, which was the wildlife in the Marsh case. That's the Elk Creek Dam. In that case there were substantial environmental impacts in respect to the turbidity of the water, the muddying of the water, downstream from the dam. But also, the dam was going to flood 1,300 acres.

And we were faulted because we did not go into great detail about what we were going to do for -- and here, it's worth listing. We had 50 deer, a smaller number of elks, coyotes, otter skunks and 125 quall whose habitat was going to be flooded by that lake.

Now, we did not go into a great deal of detail about that.

QUESTION: Well, in fact, no detail, wouldn't you agree --

MR. FRIED: No, I don't think that's correct.

cultivating what are called "edges," which is variations in foliage height because that is a more agreeable habitat for those animals which had been observed. It's not clear that they were going to be somehow wiped out. It's a little bit like Noah's ark, except that reminds me when —

QUESTION: Well, the, the point I'm just

what we said -- we committed to spend \$350,000 in

trying to make is is it enough in your view to just list possible mitigating actions as a list without in any way attempting to say this one could be successful, we think it will be, it will do thus and so. Do you have to go beyond Just a mere sketchy little list?

MR. FRIED: Oh, I think you do for anything of significance. I think what you have here are --

QUESTION: (Inaudible) point it's just this is so insignificant they didn't have to do it?

MR. FRIED: well, they did do a little bit more than that, but you have to be reasonable. How significant is the impact and, therefore, how much do you have to say about what you're going to do about the impact?

And when you see the mountain that was made out of this mole hill, you understand that this is just a charter for obstruction. When we talk about serious

impacts, such as air quality in the other case, the -the Forest Service case, then you've got to go into more
cetail.

But when you're talking about a few animals that had been observed and the lake is rising, the waters will rise, and so you're going to do a little bit for them, but you're not making a big deal out of something that isn't a big deal, I think to say that you have to go into excessive detail there is exactly what CEQ was focusing on.

QUESTION: I take it that we're in -- that the circuit court and the district court are in the same position? The circuit court doesn't defer to the district court. They each engage in the same kind of review?

MR. FRIED: Well, the circuit court should certainly defer to the district court insofar as the district court held a trial and established facts. When we're talking about --

duestion: Why do you establish -- what facts do you establish to determine that a -- that a statement is or is not complete?

MR. FRIED: Well, I think you -- really there should not be a factual -- a new factual record developed, but that practice has taken place, and we

have factual issues that were raised --

QUESTION: Well, I -- I was concerned about that because in -- In the Marsh case involving the Elk Creek Dam, the court made findings that the government was continuing to study wildlife mitigation. And it seems to me that the record is either closed or it isn't closed.

MR. FRIED: Well, in Marsh there were several things that happened that shouldn't have happened. In Marsh the Kramer memorandum and the things which are supposed to have set off some of these insufficiencies were raised at the trial. They were not raised at the administrative level. It reminds one very much of Vermont Yankee, where it's a little bit of an ambush.

Now, the standard of review quite clearly should be APA review. Was the agency arbitrary and capricious, first of all, in its decision, of course, and second, in its approach to what it does and does not include in the environmental impact statement?

QUESTION: Should we then discount the statement in footnote 9 by the district court that the agency is continuing to look at mitigation matters?

MR. FRIED: Well, it -- it's not I think of great significance. If the agency is continuing to look at mitigation, that's good. The question --

QUESTION: But the district court cited that to show that the -- NEPA was being complied with, and I -- I take it you would agree that NEPA is complied with or not based on what's contained in the EIS.

MR. FRIED: That is correct. That is correct.

I think that what we're talking about was extra efforts, extra measure of concern, and, and that's

appropriate. But it would seem --

QUESTION: I thought we were talking about tiering, so-called, or phasing.

MR. FRIED: well, tiering is not an issue so much in the Marsh case as it is in Robertson. In Robertson you have — in respect to the on-site effects of building the ski slope, there is the question about whether the location of the roads and the slopes and the towers and the — and the ski trails will interfere with the mule deer.

And as to tlering, what the agency did is to say these are problems. We understand they're problems, but we want to see the master plan first before we decide whether they are going to interfere with the mule deer. And that's a rather small scale version of what we saw in the Kleppe case.

QUESTION: Does the master plan require an EIS?

MR. FRIED: Oh, it may very well. Oh, yes.

The approval of the master plan requires at the very least an environmental assessment, and it may require an EIS. And it is at that point, at the point of the approval of the master plan, that the detailed inquiry as to whether the roads will or will not cut off the migration routes of the deer would take place. It would be inappropriate to have it take place now because the permittee would have to develop the master plan before he got the right to occupy the land.

QUESTION: It would seem to me we would have to know that with some certainty before we could analyze the tlering argument.

MR. FRIED: Well, there's -- there's really no question that there is further environmental assessment that is required in respect to the acceptance of a master plan. It may not require an environmental impact statement. That will depend on whether it is a major or a minor matter. But then assessment must be made at that time.

And the permit, and the record of decision in the Robertson case quite clearly indicates, that the master plan must be approved. Well, that approval is an action which is subject to environmental review. And that's the point at which you go into those details.

QUESTION: General Fried, supposing the

government here in each of these cases had fully recited all the possible mitigating factors and that without committing Itself to any of them, would that have satisfied the Ninth Circuit, do you think?

MR. FRIED: I fear it would not have satisfied the Ninth Circuit, but the Respondents tell us that it would. I'm afraid that what we have is one of these situations where today you are told it's dicta and tomorrow we'll be told it's stare decisis.

QUESTION: There is language in the Ninth Circuit opinion that suggests they would not be satisfied.

MR. FRIED: There is Indeed, but it is confusing because, after all, an environmental impact statement is not an appropriate document for making commitments. It is an analytic and descriptive document. And that is one of the central issues in this case.

Specifically, what we ask the Court to do in respect to mitigation is to rule -- to rule -- that mitigation is an obligation -- involves an obligation to describe and to describe reasonably. If the effects are trivial, then the description may be cursory. If the effects are in the future, then the description may be general and postponed. And if the effects are upon us,

then they must be dealt with now. But It is a matter of description, and we're asking the Court to rule and to clarify the confusion which the Ninth Circuit, at best confusion, has injected.

we are asking also that as applied in this case, on remand, the -- there be no obligation in respect to any of these matters to engage in further mitigation discussion because we believe -- and we've set this out in the briefs -- that the mitigation discussion for these levels of decision has been entirely sufficient.

QUESTION: General Fried, can I get you back to the provision, what is Subsection 2 of, of NEPA which says that you have to identify the environmental effects that cannot be mitigated? It does say that, doesn't it?

MR. FRIED: Yes, Justice Scalla. Now --

QUESTION: I, I can understand if, if, if
you're willing to connect the NEPA statement with the
action that the agency takes, sort of fuse the two
together, I suppose it would be reasonable for an agency
to say we don't know whether these effects can be
mitigated or not, to tell you the truth, but it doesn't
matter because even if they can't, we think this project
is worth it -- 50 black-tailed deer or whatever.

MR. FRIED: Well, I think --

QUESTION: Now, if you connect the two, that is a sensible judgment. But you're telling us, no, you have to -- NEPA has nothing to do with, with the decision. NEPA is simply a -- a study in and of itself. Once you do that, it seems to me you got to give the language its Ilteral effect, don't you? It says identify those effects that can't be mitigated.

MR. FRIED: well, the, the, the -- this calls me back to the -- the answer I gave to Justice O'Connor's question. It can't mean that you have to identify every single effect no matter how trivial that cannot be mitigated. It's a little bit -- think of the analogy to the informed consent before surgery. The more you go into it, the less useful it is to the patient.

QUESTION: All right. Let's say the substantial effects that can't be mitigated. Let's, let's take the ski lodge case rather than the dam case. There were some substantial effects, and the agency really didn't say whether they could be mitigated. They say here are some possibilities for mitigation. They didn't say whether the possibilities would work. They didn't say whether anyone would, would — some of them would have to be undertaken by the county or by the state. They just said here are some possibilities.

MR. FRIED: Well, that --

QUESTION: Now, why is that adequate?

MR. FRIED: As to -- as to the county's efforts, there is another issue there because the obligation to mitigate is really the obligation of the local authorities, and it would be inappropriate for the Forest Service to somehow commit the county to actions which are within its range of responsibilities.

Therefore, it was inevitable that the environmental impact statement indicated what the local authorities might do.

But again, the kind of description is appropriate to the kind of action. The action is the action of others whose responsibility, in some cases statutory responsibility, it is and therefore the explanation is, is, is at an -- a equivalent level of generalization.

QUESTION: I'm a little puzzled by that argument, Mr. Solicitor General. Is it not possible in one of these permit situations to say that a permit would be granted, conditional on the permittee having the third party take the action that would be essential?

MR. FRIED: It is possible. It would be inappropriate because NEPA is --- one of the things that it is not and cannot be allowed to become is a federal

to do.

So, I think we're entitled to assume that local authorities will do their job, and to advert to mitigation accordingly in an appropriate way.

If I may, I'd like to --

QUESTION: Well, do you mean -- you mean if
the ski run would bring 5,000 people to the area, and
those people would cause air quality problem because of
their cabins in the city or in the -- in the
municipality, then the government doesn't refer to that
as an adverse environmental consequence?

MR. FRIED: (Inaudible). It adverts to it, and it is clearly adverted to. There is no -- it is not as if this is --

GUESTION: Well, it's required to under the statute, isn't it? Any adverse environmental effect.

MR. FRIED: Well, but there is advertence to it. It, it is something which is confronted.

Studies were done, and we're talking only about mitigation. The mitigation is the obligation of the local authorities.

This development, this migration, is something which is taking place in any event. It would be accelerated by the ski resort, but it is not the only cause of it. This would not remain a wilderness if there were no ski resort. And this is something which the local authorities have to deal with.

There is another matter here, which it's important to get before the Court, which relates to the worst case analysis, because the Ninth Circuit in both cases clearly demanded that in respect to uncertainties and, indeed, matters which were simply matters in dispute where we took one view and the opponents took another, that there must be a worst case analysis, that we must assume the worst in analyzing the effects.

Now, we ask the Court to rule that that is incorrect as a matter of law because the court of appeals thought that that obligation derived from NEPA itself rather than from CEQ regulations which have now been superseded. And as applied, we believe, that these are not proper cases for uncertainty analysis at all even under the new CEQ regs because what we have is not uncertainty, what we have is a dispute. We think that

the dam is going to cause this level of turbidity, and our opponents think it's going to cause some other level of turbidity.

If the Ninth Circuit is to be believed, there is always an obligation to analyze the effects as if the opponents, the people who see this in the most dramatic and drastic lights, are correct and to analyze on that basis. That can't be what CEQ meant in either the old or the new regulations. But in any event, it's very important to clarify that those new — those old regulations are gone and are not part, and never were part, of NEPA itself.

If, if I may, I'd like to reserve --

QUESTICN: Before you go, may I ask you would you -- would you be willing to -- to have an, an environmental impact statement evaluated in tandem with the decision that is based upon it? I frankly have a lot of difficulty deciding whether an EIS is adequate without knowing what decision was, was based on that.

For example, on the point of identifying those effects that cannot be mitigated, if the agency's final decision says, even assuming that all of these possibilities for mitigation never -- never come to fruition, even assuming that all of these effects are non-mitigable, we still think it's worth doing this,

then, then I would really have no quibble with the EIS.

The, the agency has directed its attention to the problem and says we're willing to go ahead anyway.

MR. FRIED: Well --

QUESTION: Whereas, if the agency's decision is on the assumption that the counties are going to do this thing and the state are going to do the other thing, this seems to us a reasonable thing to do, then, then that environmental impact statement looks to me like a bad one.

MR. FRIED: The EIS here has a recommendation. They recommended — they recommended the 8,400-person ski resort, and they did conclude in the EIS that that is a recommendation that makes sense even given the uncertainties about whether the state and local officials will do their job. It — that was the recommendation.

And, and I think one can look to the record of decision of the regional forester who clearly said, look, I am prepared to go forward. I understand what risks we are running. So, I think that if you look at them in tandem, you clearly come out as we say — but there is a recommendation in the EIS which says that these environmental hazards are worth running.

Now, the decision maker may say, well, you've

laid them out for us, and we don't agree with you. We -- I, regional forester, do not agree that these environmental impacts are worth running. But the environmental impact statement does make a recommendation, and, and says it's worth doing on that basis.

If I may, I'd like to save the balance of my time for rebuttal.

QUESTION: Very well, General Fried.

Mr. Bricklin, we'll hear from you now.

GRAL ARGUMENT OF DAVID A. BRICKLIN

ON BEHALF OF THE RESPONDENTS

MR. BRICKLIN: Thank you, Mr. Chief Justice, and may it please the Court:

Twenty years ago Congress enacted the National Environmental Policy Act, NEPA, and imposed new procedures on all federal agencies. The purpose was to ensure full consideration of environmental actions. And the method was the preparation of an environmental impact statement, a statement which Congress said is to be "detailed." Compliance is to be "to the fullest extent possible." Corgress' mandate to the agencies in the vernacular was look before you leap. And this Court has said that look must be a hard look.

The impact statements here do not meet the

standards that Congress established. Unsupported conclusions and wish lists do not meet the detail requirement. And sweeping under the rug difficult issues that are indicated from significant new information and uncertainty does not meet Congress' requirement to study the environmental consequences to the fullest extent possible.

That these impact statements do not meet Congress' standards was recognized not only by the courts below, but by state and federal agencies with special expertise in environmental issues and by 29 states that have joined in an amicus brief in this court,

The essence of the Solicitor General's argument is that the standards established by Congress should be relaxed by this Court, that unsupported conclusions and incomplete analysis should suffice depite — despite Congress saying we want detail and compliance to fullest extent possible. Because Congress established these standards, it is only Congress that can relieve the agencies of their responsibility to comply with them. The Solicitor General's efforts in this Court must fail.

QUESTION: Did Congress impose a requirement that a -- that, that an agency commit itself to a, a --

operating a -- in a certain way so as to mitigate?

MR. BRICKLIN: No. As this Court has said,

QUESTION: Don't you think there's 'anguage in the Ninth Circuit's opinion that suggests the contrary?

MR. BRICKLIN: Yes, there is language in the Ninth Circuit's decision that says NEPA imposes substantive duties. That, that is not consistent with this Court or -- this Court's statements or the Act.

But the court's decision below that the impact statement was inadequate was not based upon that statement. The court below decided the impact statement was not adequate because it was conclusory, because it didn't provide the information that Congress required.

And that was the basis of the court's decision.

-- what you regard as the dicta, but you say the result is nonetheless --

MR. BRICKLIN: That's, that's exactly right.

QUESTION: Mr. Bricklin, in the -- in the ski
resort case, how, how would you have had the -- the
government do the job right with respect to those
environmental effects that they say could only be
mitigated by counties or states? What, what was the

government supposed to do to decide whether that mitigation would occur or not?

MR. BRICKLIN: Well, two things. First of all, It's — it is not the case that the mitigation was beyond the Fcrest Service's control. For instance, to protect the deer herd's habitat, the Forest Service could have purchased habitat throughout the Methow Valley. In fact, it's co-Petitioner, the Army Corps of Engineers, in another case spent \$7 million purchasing off-site habitat lands. Or it could have required the applicant to do it.

QUESTION: What about air quality?

MR. BRICKLIN: Okay. Even regarding mitigation measures that may be beyond the agency's control, it is still required by NEPA to discuss the mitigation measures so that the decision maker can know whether the mitigation measures will work regarding air quality. The impact statement told the Forest Service that with mitigation, air quality standards could be met. The impact statements said that without mitigation you would exceed air standards by a factor of 20.

Now, what was the basis of that conclusion?

There was nothing in the impact statement or anywhere else. It was a completely unsupported conclusion that mitigation would allow the -- allow them to come into

compliance with the air standards.

NEPA's purpose is to allow for informed decisions.

QUESTION: Oh, I see. Is, is your complaint only that they were — that they erroneously said that mitigation could produce compliance with the air standards? I thought your complaint was even if it could, we have no assurance that mitigation will occur. You're not complaining about the latter?

MR. BRICKLIN: That is a latter -- that is a question that really hasn't been reached in the courts below, and I don't think it's presented here.

QUESTION: I thought it was -- I thought it was part of your case really, that, that the federal government just said, well, if somebody wants to take care of these problems, they can. There are ways to do it.

MR. BRICKLIN: Well, the -- it's --

QUESTION: And, and, and your response is, well, that may be, but how do we know they're going to do it. And it isn't responsible to make a decision unless you know somebody is going to mitigate.

MR. BRICKLIN: There -- there's two parts really to the analysis, I believe. One is there is the procedural information part of the analysis. That's

what the impact statement does. It gathers information so informed decisions can be made. We don't have that here.

The second step is the substantive decision that the agency makes, whether to proceed with the ski area, if so, under what conditions. That is a separate decision. That's a separate issue, and one in which the court serves a different function under the Administrative Procedures Act to determine on that second question whether the agency has acted arbitrarily and capricious, as this Court has recognized in Strycker's Bay and in — and in Baltimore Gas. But that's a separate question. The review under the arbitrary and capricious standard of the substantive decision is distinct from the issue of whether the impact statement itself is adequate, whether it provides the information that the Forest Service needed in order to make a reasoned decision.

QUESTION: I don't understand what you mean by substantive review. I thought we did not substantively review for excessive environmental impact. I thought that as long as the agency says we're willing to do it, that's the end of the matter. Where, where is the substantive requirement not to harm the environment?

MR. BRICKLIN: The, the requirement is In the,

the Administrative Procedures Act, not in NEPA. It's in the Administrative Procedures Act, not NEPA. The Administrative Procedures Act provides that agencies shall not act in an arbitrary and capricious manner.

QUESTION: With respect to those things that the law forbids them from doing.

QUESTION: What supports the proposition that if they really do something which someone might regard as arbitrary in going ahead in spite of an EIS, that's subject to review under the APA?

MR. BRICKLIN: I think that's both reflected in footnote 2 of the Strycker's Bay opinion and in Vermont Yankee. In both of those cases, the Court, although it held that NEPA was essentially procedural, said that, nonetheless, the courts under the APA, apart from NEPA, have the responsibility to determine whether the substantive decision was arbitrary and capricious.

governing substantive matters, and the NEPA is not a law governing substantive matters.

MR. BRICKLIN: The -- the Solicitor General concedes that mitigation measures must be considered to the fullest extent possible, and looks at the -- for instance, the Methow Valley impact statement and tries to excuse compliance with that procedural mandate on the

basis Justice Scalia inquired earlier about, the tiering, for instance.

Now, It is clear that the Solicitor -- that the Solicitor General's reliance on this tiering issue is misplaced. The plain meaning of the statute provides that the environmental impacts of the activity are to be analyzed in the impact statement regardless of whether they are on site or off site, regardless of whether this agency has control of them or coesn't have control of them. And the Act simply makes no distinction between the level of discussion that is required dependent upon whether the impacts are on site or off site.

QUESTION: Is -- isn't the -- isn't the requirement of reasonableness -- does -- doesn't that lay some ground for thinking that remote effects may be discussed with less precision and detail than immediate effects?

MR. BRICKLIN: Absolutely. But what happened in this case was the Forest Service itself recognized that the off-site impacts were the more severe impacts, that those were -- and precisely because the Forest Service recognized that those were the more severe impacts, it was those impacts that the Forest Service should have considered in more detail.

And in the Elk Creek case, the 1,300 acres,

The --

QUESTION: Counsel, do you defend the Ninth

Circult's conclusion that the CEQ's rescinded worst case
regulations are, in effect, still in effect?

MR. BRICKLIN: No, we, we do not. The worst

-- the worst case analysis or, now as it's called, a
analysis of catastrophic events, is analysis that flows
from NEPA's mandate to consider environmental impacts to
the fullest extent possible. And it's really a
three-step analysis, and it's important to note that the
first two steps are not in dispute.

Number one, if there is uncertainty regarding what the effects will be, that uncertainty must be disclosed. No one disputes that.

Number two, if there's uncertainty, the agency must try to fill the information void by conducting additional research. Nobody disputes that.

QUESTION: How does one know whether there's uncertainty?

MR. BRICKLIN: In, in this case we knew there was uncertainty, for instance, in the Elk Creek case

the federal and state level took issue with the Army Corps' conclusion that there would not be a turbidity problem. The National Marine Fisheries Service, the Environmental Protection Agency, and two state agencies said that turbidity was going to be a major problem. In fact, the Environmental Protection Agency reviewed the impact statement and complained that it had left unaddressed the major issue regarding water quality, and that was the turbidity issue. So, that's how we know in this case that there was uncertainty. The agencies with expertise on environmental matters said there was.

And as a result, the Army Corps had the responsibility of, number one — number one, disclosing that and, number two, attempting to do the research to fill that information void. And it was only if that was unavailing that we'd come to the third step, which is where the dispute rises which is what do you do if the research doesn't fill the void.

And what the new regulation requires is that the agency consider the different outcomes that are possible, including in the words of the new regulation, catastrophic results even if they have low probability of occurrence. And that is, frankly, nothing different than what the case law and what the prior regulation

called for in different words when it called for a worst case analysis.

But that's not critical here. What's important is that the new regulation, on its face, appears to be consistent with NEPA's requirement to, number one, research to try to fill the information gaps and, number two, if you can't fill them and you still have uncertainty, don't look at the world through rose-colored glasses. Tell us what bad may happen as well as what good may happen.

regarding the requirement to supplement the environmental impact statement. The court — and that requirement cocurred because significant new information came to light after the impact statement was prepared. Because NEPA provides a continuing responsibility for the agencies to take into account environmental factors, their responsibilities do not end with the filing of an impact statement. As the CEQ's regulations reflect — and the Solicitor General acknowledges, as this Court has, that they are entitled to, to substantial deference — if significant new information comes to light, a supplemental environmental impact statement is required.

Now, In, in the briefs we describe five different areas in which significant new information

QUESTION: It came to light after the closing of the administrative record, in effect?

MR. BRICKLIN: Well, it's -- it clearly came to light -- I mean, the question is when does the administrative record close? And where you have significant new information that comes to light after the supplemental impact statement is prepared --

QUESTION: Well, but another question is when are these things over? I mean, when, when do you decide them? Because someone can always bring new information to light and you can just have a great big paper shuffling operation where nothing is ever decided finally.

MR. BRICKLIN: Right.

The -- in this case, the new Information came to light in a -- in time for the Army Corps to use it in a -- in a meaningful manner, and that is why it should have been considered by the Army Corps. The --

QUESTION: Well, what does that mean to say it came to say it came to light in time for the Army Corps to use it in a meaningful manner?

MR. BRICKLIN: Well, in other words, the Army Corps learned that there was new information about the loss of the fish. The Army Corps should have stopped what it was doing at that point because you're talking --

When this information came to light in view of the litigation and the, the state of the administrative record? I mean, supposing the day of the hearing in the court of appeals someone says, look, I've got new information here, does that start the clock running all over again?

MR. BRICKLIN: Well, and I know the Solicitor General suggests that that is what happened here, and I need to make clear and, and -- that, first of all, that argument was raised for the first time -- in three years of litigation, it was raised for the first time in the reply brief.

QUESTION: Well, I'm asking you a question. I hope you'll answer.

MR. BRICKLIN: Yes. The new information in this case was provided several years -- to the Army Corps, more than a year before the time of trial, and at a time when the dam was not under construction, and when changes in the Army Corps' decision could still be made. And specifically, because the Army Corps learned that

QUESTION: Well, Mr. Bricklin, did the Army
Corps decide that the new information was not
significant enough in its view to warrant a supplement
to the EIS?

MR. BRICKLIN: No, and that's -- in, in fact, what the -- the Army Corps did not dispute the significance of the information and nor did the dissenting judge below. What the dispute was was as to the accuracy of the information. And the information -- and let me elaborate on that for a minute or two if I may.

The information that was provided was the result of a study of the closure of the Lost Creek Dam on a nearby tributary. This --

QUESTION: Of the Rogue?

MR. BRICKLIN: Of the Rogue.

And this study was commissioned by the Army

Corps itself. It was a ten-year study that examined the fishery downstream from the dam both before the Lost

Creek Dam was built and afterward. And what this study revealed was that it — that the closure of the dam caused a warning of the waters downstream and the warmer waters caused the eggs, the salmon eggs, buried in the gravel to hatch prematurely, two months prematurely. And it was a critical two months because of hatching — because instead of hatching in the spring, they hatch in the middle of the winter.

QUESTION: Well, Mr. Bricklin, the Army Corps decided not to prepare a supplement. And why? It decided it because it didn't believe the accuracy of the new studies?

MR. BRICKLIN: Well, they, they claim -QUESTION: Or they didn't think that it was
significant because it was inaccurate, or what?

MR. BRICKLIN: They, they argued in court that they did -- that the information, if accurate, was significant, but they disputed the accuracy. And in doing that, they --

QUESTIEN: On what standard of review should a court review that determination by the Corps? Should it be on a reasonableness standard or an arbitrary and capricious standard?

MR. BRICKLIN: I --

QUESTION: And is there a difference?

MR. BRICKLIN: Actually if you will beg my inculgence for a second, I think it's yet a third standard. I believe the standard is established in the Administrative Procedures Act, which provides that agency actions are to be reviewed, among other things, to determine whether they have — whether they are in accordance with the law. And that's in 706(2)(a). And in fact, the preamble in 706 — QUESTION: Well, generally doesn't the APA contemplate an arbitrary and capricious standard of

MR. BRICKLIN: For factual determinations.

But we are here interpreting a statute.

QUESTION: Would a determination of whether a study is accurate be a factual determination?

MR. BRICKLIN: Yes, a, a -- a question of the accuracy of the study would.

QUESTION: So, the standard would be arbitrary and capricious under ABA -- APA.

MR. BRICKLIN: Except that under the case law that has developed under the Environmental Policy Act that a rule of reason has been applied, and that is —

QUESTION: Well, is that what we have to decide here, whether that's proper or whether we go back to the APA for the standard?

MR. BRICKLIN: I, I think the Court has to decide that, but that determination is limited to factual issues. Regarding legal issues, in other words, what did Congress mean when it said significant? Does a particular impact rise to this level of significance? That's a legal question which the courts decide de novo.

Now, coming back to this question of the accuracy of the study that was prepared at the Corps' behest, ten-year study, \$4 million, and it considered many, many different issues not just this issue about the stream warming and causing the early hatching of the eggs. It reached conclusions about the size of the fish, the timing of their migration and a lot of other things. It's a big, fat, several hundred-page study.

And the Corps of Engineers sent it out for review by two outside people that they picked and one inside. And those reviewers found some problems with some of the conclusions in this study. And it is those critiques that the Solicitor General and the agency latch onto in suggesting that this conclusion about the temperature impact was not accurate.

But all of those critiques focused on other conclusions in the study. And with regard to this conclusion, that the dam raises the temperature and causes the early hatching of the eggs, that conclusion

And so, please do not be misled when, when the Solicitor General and the agencies below quote out of context other portions of these critiques because it was not directed at this key finding regarding the warming of the -- of the waters downstream.

I want to go back for one minute and talk about one issue regarding mitigation which has reached the -- that the Solicitor General has drawn some attention to, and that regards the court of appeals reference to a complete mitigation plan. And the Solicitor General has suggested that this is again the court below imposing new procedures not required by the Act.

It is -- it is clear when the court's decision in the Marsh case, where this first appeared -- when that decision is read in context, that the complete mitigation plan that the court was referring to was nothing more than the complete mitigation analysis that the Solicitor General and everyone recognizes must be included in an impact statement.

And I'd like to point the Court's attention, in fact, to that part of the opinion where this language appears. The opinion is the first appendix in the Marsh case, and at page 8a and -- excuse me -- 6a and 7a, the court makes reference to the analysis in the impact statement of the mitigation elements. And notice that the court refers to this discussion as a plan. It says this mitigation plan requires such and such. And so, on page 7a, when the court says the importance of a mitigation plan cannot be overestimated or when it says without a complexe mitigation plan the decision maker is unable to make an informed decision, it is clear, reading this in context, that the -- that the court is requiring a complete mitigation discussion.

And in fact, this -- the court says so Itself in the next paragraph. In the -- in the last -- or in the last paragraph before section 3 on page 7a, the court says that because the wildlife mitigation plan here merely lists measures and includes neither an analysis nor an explanation of effectiveness, it is inadequate. That's what the court was looking for, an analysis, an explanation of effectiveness of what the costs would be. And that's all the -- that's all the court meant when it required a mitigation plan.

In sum, regarding the mitigation, the fact

QUESTION: Mr. Bricklin, do you agree with the Ninth Circuit that the Forest Service has to develop an adequate mitigation plan before it can issue a special use permit, as in the ski resort case?

MR. BRICKLIN: Well, if first of all we mean a plan in the sense of an analysis, a full discussion, yes, because that's what NEPA requires. If we're talking about some other different procedural construct, the Forest Service regulations do require a -- the applicant to submit a mitigation plan, and then goes on and requires the agency to implement and condition the permit with mitigation terms and conditions. And so, yes, in that case it is required.

And that actually brings me back to the question that the Chief Justice inquired about. Where does — where under — would we have any substantive requirements to apply? Here the Forest Service's own regulations require the applicant to submit detailed plans and then goes further and requires the agency to

implement and include mitigation plans --

QUESTION: But didn't the agency interpret these regulations in doing what it did?

MR. BRICKLIN: Well, yes and the -- yes.

QUESTION: So, presumably it thought it was complying with its regulations.

MR. BRICKLIN: Presumably it did.

QUESTION: And some deference is given to the agency when they're interpreting their own regulations.

MR. BRICKLIN: That's clear. But on the other hand, if the plain meaning of the regulation says one thing and the agency does something else, then deference is not required. And I think that's the situation we have here.

The --

QUESTION: Is it clear that the special or that the master plan is going to be presented to the United States government, to the Forest Service, in the ski run case?

MR. BRICKLIN: It is clear, but it is also clear that that will have no usefulness in determining how to mitigate the off-site impacts which the Forest Service recognizes as the more significant impacts.

The mitigation -- the on-site master development plan is going to tell the applicant where to

put the specific ski runs and ski lifts. That's all well and fine, but it doesn't do anything to address the issue of how are we going to deal with the loss of deer herd in other areas of the valley.

QUESTION: Does, does the permit that was granted now allow any actual construction or site clearing?

MR. BRICKLIN: No. No, it does not.

QUESTION: That awaits the master plan?

MR. BRICKLIN: That -- that is true.

QUESTION: Isn't it the government's position that until they see the actual contours of the construction, they can't really evaluate mitigation matters — measures and that they're much better off simply waiting for the master plan stage to do that?

MR. BRICKLIN: That's true with regard to the on-site — to some of the on-site mitigation. In other words, if you're talking about runoff from the ski slopes that are cleared, where are you going to put in your catch basins? Yes, that would wait till you have your ski area laid out in front of you.

But where here you're talking about -- where the agency is talking about loss of wildlife habitat elsewhere in the valley or air pollution occurring elsewhere in the valley, the location of the ski runs

isn't going to provide the agency with any more information regarding that. And in fact, in their reply brief, the Solicitor General finally admits just that, that there is no second the regarding the off-site impacts, and that's a critical, critical difference between the on-site and off-site impacts. The off-site impacts are the more severe, and there's not a second the regarding those.

In sum, this is neither the time nor the place for relaxing NEPA standards for detailed statements and compliance to the fullest extent possible. Congress' mandate has never been more important. Environmental hazards that 20 years ago were barely recognized today face us in full force. Witness nuclear wastes seeping into our groundwater, the warming of the global atmosphere, and the loss of the ozone layer.

Nor is this is the place for relaxing

Congress' standards. The Solicitor General's pleas for relief in this court must be unavailing. This Court's decision far transcends the issues regarding a ski area and a dam. At a time when the leaders of the greatest nations in the world rank the environmental hazards as major problems confronting national and international security, the Solicitor General's plea for perfunctory compilance with NEPA must be rejected. Assuring fully

informed decisions has never been more important.

that the detail of the statement has to be commensurate with the severity of the harm. I mean, you wouldn't require any statement to be made about — how many acres was it? Eighteen hundred acres flooded? You wouldn't require them to say so many million ants will be — will be killed.

MR. BRICKLIN: Absolutely. That's correct,

QUESTION: You wouldn't require anything at all.

MR. BRICKLIN: That's --

QUESTION: So, there is some relationship between --

MR. BRICKLIN: It's a rule of --

QUESTION: -- how serious and -- and whether you have to say anything at all.

MR. BRICKLIN: And the CEQ regulations reflect that when they define significance in term of -- in terms of intensity of the impact and the value of the resource.

Thank you.

QUESTION: Thank you, Mr. Bricklin.

General Fried, you have seven minutes

remaining.

REBUTTAL ARGUMENT OF CHARLES FRIED

MR. FRIED: A few factual matters.

Among the states which have joined the Respondents are not included the states of Washington and Cregon.

As to when the Kramer memorandum, which included what is defined —— what is argued to be the significant new information, it is true it came a year before trial, but it was submitted after suit was filed. And the judgment of the Corps was that the information there was casual and unreliable. That conclusion, as well as EPA's comments, were submitted to the Council on Environmental Quality; and there was no objection raised there.

So, I think what we have is an argument that uncertainty is to be equated with a dispute between proponents and opponents of a measure, and that cannot be a -- that is an argument --

QUESTION: Mr. Fried, just to help me a little bit, did they find it unreliable with respect to the precise point your opponent made about the two-month delay in hatching the eggs?

MR. FRIED: Well, there is on --

QUESTION: He said they made a lot of other

criticisms, but that one was quite important and was accepted by everybody.

MR. FRIED: well, I think there is some -there was some thought that it would have something to
do with the time the eggs would hatch. That's correct.
But it was not as important to the life cycle of the
fish as it was claimed.

QUESTION: It sounds pretty important.

MR. FRIED: In other words, the matter was -the SIR, the supplemental information review, did
address this. They looked at it, but they concluded
that it did not have the scientific or the ecological
effects which were being claimed for it.

And as to the turbidity, we just thought they were wrong.

QUESTION: You mean it wouldn't -- it wouldn't harm the fish to be hatched in winter instead of spring?

MR. FRIED: Well, I don't -- I think that -
QUESTION: That seems to be what you're

saying, if I understand you.

MR . FRIED: It was --

QUESTION: He said there was no dispute on this, and I just don't know whether I should believe him or you.

MR. FRIED: Well, I don't think there is a

dispute on when the eggs would hatch.

QUESTION: Or whether it's significant.

MR. FRIED: well, I think there was a dispute about whether that measure of — that difference of hatching would make that difference, yes. Now, you can treat that as a question of law, but it seems to me that is much more a question of what is important to fish, and that sounds to me like a factual matter.

And more specifically, we strongly assert that these factual matters are to be governed by the APA arbitrary and capricious standard as well as the question of whether the decision whether to reopen the record and perform yet another analysis, because this is a project that has been under study for quite a long time, is itself an arbitrary and capricious standard.

QUESTION: May I ask one other question? I think under your proposed disposition, you do suggest there be further proceedings before the agency.

MR. FRIED: Oh, yes, on the --

QUESTION: There will be -- the record will be recpened.

MR. FRIED: But only as to specific matters about the combined effects of all three dams. We didn't think that was an issue which was worth bringing to this Court.

what we would strongly urge is that there be no remand on any of the matters subject to the litigation here because we are concerned not only about the two specific legal issues, which I take the Respondents to have conceded, but we are concerned about the approach of the court of appeals here which is just unduly persnickety. We are told that there is a wish list, and that "wish list" phrase occurs in the Elk Creek Dam case. And I must say the only thing to which that nice phrase can apply is those skunks and coyotes and so on that have been flooded out, and it seems inappropriate to say this is an insufficiently detailed mitigation statement because it's just a wish list.

So, we would require guidance not only on the legal issues which have been conceded, but also on the appropriate approach, and we think the approach of the Ninth Circuit here has not been appropriate because on mitigation — on mitigation you have three kinds of things bearing on reasonableness. First of all, just how significant is the impact and can't you tailor your discussion to how big a deal you've got here.

Second, there is the Issue of thering which is the question of is the Issue ripe for detailed discussion or is general conceptual discussion sufficient.

And this is all just spinning out the rule of reason as to the detail of the mitigation statement. In other words, it mustn't be forced to be so detailed that it ceases to be useful to the decision maker and just becomes a kind of a mine field which the agency has to try somehow to negotiate lest it blow up on them at suit, at trial, perhaps indeed in a court of appeals. One doesn't know when. That's —

question: It's curious you should say rule of reason instead of rule of arbitrary, capricious -- or rule of arbitrariness or capriciousness.

MR . FRIED: Ch . I --

QUESTION: Is there any difference between the two really?

MR. FRIED: I hope I chose my words carefully.

It is the --

QUESTION: I think you said a rule of reason.

MR. FRIED: It is the agency which is bound to

apply a rule of reason. A reviewing court applies the arbitrary and capricious standard.

Now, I must tell the Court --

QUESTION: We're only talking here about the reviewing court.

MR. FRIED: That is correct.

Agencies have consistently come to the Solicitor General and asked him to bring to this Court cases in which courts of appeal and district courts have said, well, it's a rule of reason that governs us. And we have thought that issue all by itself is not worth bothering the Court with because it may be rather verbal. But since we have it here, it would be a marvelous opportunity to clarify that the agency is bound by a rule of reason and the reviewing court is bound by the arbitrary and capricious standard.

I thank the Court for its attention.

CHIEF JUSTICE REHNQUIST: Thank you, General Fried.

The case is submitted.

(Whereupon, at 11:01 o'clock a.m., the case in the above-entitled matter was submitted.)

CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

NO. 87-1703 - F. DALE ROBERTSON, CHIEF OF THE FOREST SERVICE, ET AL.,

Petitioners V. METHOW VALLEY CITIZENS COUNCIL, ET AL.; and
NO. 87-1704 - JOHN O. MARSH, JR., SECRETARY OF THE ARMY, ET AL., Petitioner
V. OREGON NATURAL RESOURCES COUNCIL, ET AL.

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY alan friedman

(REPORTER)

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