OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT

LIBRARY US. 20543 WASHINGTON, D.C. 20543

OF THE UNITED STATES

CAPTION: WYOMING, Petitioner V. UNITED STATES, ET AL.

CASE NO: 88-309

PLACE: WASHINGTON, D.C.

DATE: April 25, 1989

PAGES: 1 thru 55

ALDERSON REPORTING COMPANY 20 F Street, N.W. Washington, D. C. 20001 (202) 628-9500

1 IN THE SUPREME COURT OF THE UNITED STATES 2 3 STATE OF WYOMING. 4 Petitioner, No. 88-309 V . 5 UNITED STATES, ET AL 6 7 Washington, D.C. 8 Tuesday, April 25, 1989 9 10 The above-entitled matter came on for oral argument 11 before the Supreme Court of the United States at 12:59 12 p.m. 13 14 APPEARANCES: 15 16 MICHAEL DOUGLAS WHITE, Special Assistant Attorney 17 General, State of Wyoming, Cheyene, Wyoming; on 18 behalf of Petitioner. 19 JEFFREY P. MINEAR, Assistant to the Solicitor General, 20 Department of Justice, Washington, D.C.; on behalf 21 of Respondents. 22 SUSAN M. WILLIAMS, Albuquerque, New Mexico; on behalf of 23 Tribal Respondents.

24

25

CONIENIS

-	QRAL_ARGUMENI_QE	PAGE
3	MICHAEL DOUGLAS WHITE	
	On behalf of Petitioner	3
	JEFFREY P. MINEAR	
	On behalf of Respondents	22
	SUSAN M. WILLIAMS	
	On behalf of Tribal Respondents	43

now in No. 88-309, the State of Wyoming v. the United

CHIEF JUSTICE REHNQUIST: We'll hear argument

12:59 p.m.

3 4

1

2

5

States.

Mr. White.

6

7

9

10

11

13

14

15

16

17

18

19

20

22

23

24

25

ORAL ARGUMENT OF MICHAEL DOUGLAS WHITE
ON BEHALF OF PETITIONER

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

This case is here on certiorari to the Wyoming
Supreme Court which the state contends erroneously
quantified the Federal Reserved water right for the Wind
River Indian Reservation.

The specific question before the Court is whether the practically irrigable acreage standard, or PIA standard, for the quantification of the employed federal right was properly applied below where there were state water rights congressionally mandated and acquired for the reservation and where there was no need shown for an additional water right as a reserved right.

The general question --

QUESTION: Well, suppose -- suppose there
hadn't been the state rights -- state water reservation
rights, is your claim still that the standard was

misapplied?

MR. WHITE: Yes, sir.

QUESTION: Yes?

MR, WHITE: It Is.

QUESTION: Okay.

MR. WHITE: And the more general question that is before the Court, and the one that has drawn so much attention from the amici is the applicability, the universal applicability of the PIA quantification standard to all reservations other than those in Arizona I.

After briefly describing the facts of our case,

I would like to explain why the Wyoming court should be
reversed.

You have before you the cert petition itself, and the last page of that petition is a fold-out map showing the reservation. And following along with that, let me make my explanation clear.

The reservation itself is located in northwestern wyoming. It's about 45 miles southeast of Yellowstone National Park and Little Small River in Yellowstone National Park. The boundaries that you see on that map are about 60 miles from east to west and about 50 miles from north to south.

The reservation itself was set aside by treaty

with the Shoshone in 1868. There were approximately 2,400 Indians that are part of a band of Shoshone that were living to the west of the present reservation site. Ten years later, in 1878, the Arapaho were forcibly placed on the reservation, to which the Shoshone strenuously objected and for which they received compensation in the 1930s for the loss of one-half of their reservation.

During the remainder of the 19th Century, there was every little development on the Indian Reservation, while around the Indian Reservation substantial non-Indian development took place. So that by 1900, when only roughly 1,700 Indians remained on the reservation despite the fact that both tribes were now permanently located there, the Indians were desperate to get started in farming in earnest.

And Congress and the federal officials and the Indians themselves were very anxious about the availability of water to carry on that farming simply because of all the non-Indian irrigation development around the Reservation appeared to have called for more water than would allow the Indians to continue. So --

QUESTION: Mr. White --

MR. WHITE: Yes, ma'am.

QUESTION: -- is It the fact that before 1915

that the Federal Government had obtained protective state water permits sufficient to irrigate 145,000 acres?

MR. wHITE: That's correct, Your Honor. The concern that I mentioned of the Indians, federal officials, and Congress, led to the 1905 Act, which was a ratification of the 1904 agreement with the Indians.

And it was pursuant to the Water Proviso of that Act that these water rights were obtained.

The Water Proviso in Article III of the 1905

Act says that water rights shall be obtained under state

law.

QUESTION: The acreage found to be practicably irrigable in this litigation by the Wyoming Supreme Court was 108,000 acres? Is that right?

MR. WHIFE: It is close to that -- it makes no difference, Your Honor. I've used 100,000 for round figures, but --

QUESTION: The state had apparently even agreed that it was 102.000.

MR. WHITE: we agreed -- we have asserted, Your Honor, when the litigation began that there were 102,000

QUESTION: Un-huh.

MR. WHITE: -- but we used that with a different quantification rate and a different priority

date.

QUESTION: But applying the practical -- the practicably -- it's hard to say.

MR. WHITE: You're right.

QUESTION: -- irrigable standard, the state had agreed it was at least 102,000?

MR. WHITE: With a different amount of water and a different priority date, that's correct, Your Honor.

The 1905 Act had two particular effects. First was to open the reservation to non-Indian settlement in the portion that's marked as ceded on your map.

Everything north of the Wind, east of the (inaudible).

The second thing was to allow that land to be sold to non-Indians under the public land laws.

QUESTION: Marked ceded land?

MR. WHITE: Yes, sir, they are. The second purpose was to take the proceeds that were enjoyed from the sale or the eventual lease of those lands and use them for the benefit of the —— of the Indians. And one of those benefits was to acquire water rights under state law, as I explained in response to Justice D'Connor's questions.

In fact, the congressional intent in this respect was so strong that when the Indian Rights

Association was concerned about state rights being required for these Indian — for the Indian water rights, it was proposed in both committees of — excuse me — the committees of each House of Congress that a limited reserved right be established for the reservation. And it was rejected. It was not included in the 1905 Act.

And, again, in 1914, a permanent reserved right was proposed for the reservation and it too was rejected by Congress. It was stricken on the floor of both Houses on a point of order as being a legislative matter attached to an appropriations bill.

So, Congress knew what It was doing. It wasn't merely a way to spend a little extra pocket money. It was a way to effectuate congressional intent.

After -- after those water rights were obtained Congress did in fact -- or, excuse me -- the Federal Government did in fact construct substantial irrigation projects on the reservation. There were --

QUESTION: But not enough to Irrigate the 145,000 acres, I take it?

MR. wHITE: That's right. And by the beginning of 1910 and continuing through 1963 the government began to relinquish water rights which were obtained in excess of those which had actually been used. And by 1963,

approximately 58,000 acres had been relinquished, leaving 87,000 acres under state rights.

QUESTION: I suppose the Federal Government says, though, that it relinquished those after the Winters Doctrine had been established. So they didn't think they were giving up anything that couldn't be restored.

MR. WHITE: Well, I'm sure that's what you will be told, Your Honor. But the facts are that when the Water Proviso was adopted Congress knew what it was doing. And it consciously elected to go the state law route.

As you recall from the briefs, this reservation has a sister reservation, the Baneck, or the Fort Hall Reservation in Idaho. And their --

QUESTION: Mr. White why -- why ald they relinquish?

MR. WHITE: I'm sorry?

QUESTION: Why did they relinquish these state rights?

MR. wH1TE: Apparently they didn't need them,
Your Honor, and the suggestion is made that the state
cancelled these rights simply because the United States
didn't come in and renew them.

The fact of the matter is that in 1944 a major

portion of these water rights were voluntarily relinquished by the Indian Service themselves. The only evidence in the record is that there were water rights for far more land than was actually irrigated and was needed to be irrigated.

But in -- finishing that question, the Court ought to contrast this Reservation with the Fort Hall Reservation where the same players were involved, the same negotiator and the same congressional committees. And in 1900 -- excuse me -- in 1904 for the Fort Hall Reservation, which is our sister reservation, Congress

QUESTION: Is that in Idaho?

MR. WHITE: Yes, sir, it is in Idaho. Congress expressly created a reserved right. This was a year before the Water Proviso on the 1905 Act.

So, the state would submit that there is no question that Congress intended that -- and expressly intended, that state water rights serve the needs of this particular reservation.

The award below was, as Justice U'Connor points out, for approximately — for the irrigation of approximately 100,000 acres, of which 70 percent were previously covered by state water rights, of which, of the 100,000, 55 percent were in the ceded portion. And,

as the Court will recall from the briefs, the ceded portion was restored back to the reservation in the 1940s for the purposes of grazing.

water rights were quantified on that ceded portion, the restored ceded portion, not for grazing purposes, but under the practicably irrigable acreage standard.

QUESTION: Mr. White, there is some suggestion in the briefs somewhere in this case that with some additional storage of water that the full exercise by the tribes of their rights to the 108,000 acres would have no adverse effect on existing users. Is that correct?

MR. WHITE: That was the -- the conclusion of the master, and it was the decision of the first district court judge that heard the case. Post-trial motions were heard by a second Second District Court judge. The first district court judge and the master directed their attention to the future projects. There were about 50 -- of the total awards, half the land had been historically irrigated, the other half had been part of future projects that would be irrigated in the future according to the United States and Tribes evidence.

And it was the future projects that the court

The -- the district court judge approached it a little bit differently. He said that instead of the 10 percent phasing approach to putting these futures into effect, let's have storage, and if there is a future project that requires "x" acre feet, let's have storage in that amount.

The second district court judge that heard it, rejected the storage approach. He rejected the concept of storage because it was part and parcel of estoppel. What the first district court judge had said was that the United States under these circumstances is estopped to claim a reserved right which would, in his words, put — or, render the state water rights virtually worthless. Those were his words. So, he said if there is estoppel, to remedy that estoppel we'll have the storage.

Now, the second district court judge sald,

when they acquired these state water rights, there wasn't anything wrong with that, so there wasn't anything acquired these state water rights, there wasn't anything wrong with that, so there wasn't any affirmative misconduct. Estoppel doesn't apply.

So by the time we got out of the district court through our post-trial motions, there were no -- no conditions imposed on the water right, on the reserved water right, which would serve to protect the owners of state water rights.

Now, that was completely gone and when we suggested that the sensitivity doctrine or the whole decision of this Court in New Mexico would require some inquiries as part of the quantification process into the factors described in New Mexico, the thought was by the Wyoming courts that those went to questions of purposes and they didn't go to the question of quantification.

The -- what we suggested to the wyoming court was that the New Mexico decision and the decisions which immediately preceded that and followed it established four criteria for the -- for the quantification of water, or of an implied reserved right.

First, that there be an inquiry into the specific purpose of the reservation, and our complaint with that was, of course, all of the restored lands were for grazing purposes, restored for grazing purposes.

In fact, the largest of the future projects —

It takes — It's about about a hundred and — excuse me

— about 40,000 acres of future project is located on

restored land which was restored in 1944 for grazing

purposes. Yet, the water right that was quantified for

It was for irrigation. And that requires a remarkable

clairvoyance on the part of Congress if part of this

effort is to inquire into congressional intent that in

1944 water — land would be restored for grazing

purposes and yet it receives an 1868 priority date for

Irrigation purposes.

The second thing that the New Mexico court — or, this Court in its decision in New Mexico, said was that there should be an inquiry into need for the water because this Court said that there had been a careful examination every time this reserved right doctrine had been applied to insure that the water was needed to keep the primary purpose of the reservation — or, the specific purpose of the reservation from being defeated.

There was no evidence of need in the court below, in the record below. The thought of the United States -- at trial -- was all they needed to do was show

PIA. PIA, since Arizona I had become the standard -
QUESTION: There was some -- I take it if -historically how many acres had been irrigated?

MR. WHITE: Historically about 54,000.

QUESTION: About 54,000? Well, that's evidence of need. If they're using that land for agriculture and had been using water to raise crops, I suppose that's some evidence of need.

MR. WHITE: Well, of course, it's evidence of need, Your Honor, but it's not a question of whether — of need unsatisfied. That's land that's been irrigated under the very state water rights that —

QUESTION: All right.

MR. WHITE: -- that Congress --

QUESTION: So you say there is no evidence of any need that hasn't been satisfied?

MR. WHITE: That's correct.

QUESTION: All right.

MR. WHITE: I'm sorry. And, as a practical matter, there wasn't any provided by the tribes in the United States. The state, at the end of the case in chief, filed is Rule 41 motion — or, made its Rule 41 motion on the question of need. And that matter — the question of need was no longer addressed by the court until we got to appeal.

Finally, there is -- or, another factor this Court Indicated in New Mexico should be considered is deference to state law. It said that the Court had always been careful with the reserved right doctrine because of the implied nature of the reserved water

And it also observed that when Congress had expressly addressed the question of whether state law should apply, that it had invariably deferred to state law.

right and Congress' history of deference to state law.

what could be a better example than the 1905

Act? There is an expressed deference to state law. And
yet that third factor, the deference factor, was
excluded from the Wyoming court's quantification of the
reserved right.

need point? When is that need to be measured? I mean, whenever the litigation happens to come up? I mean, you might say right now there's -- there's no more need than -- than how many acres did you say, 50,000 or so?

MR. WHITE: Fifty -- about 54,000 -- QUESTION: Yes.

MR. wHITE: — have been historically irrigated.

QUESTION: But, you know, 20 years from now if

it turns out that they can prove that they want to farm

MR. WHITE: I think you measure the need based on Congress' intent at the time of the initial Reservation. We are trying to --

QUESTION: So, the 54,000 is Irrelevant. You -- you would have to look back to 1868 and figure the need then, I guess.

MR. WHITE: Well, I agree that 54,000 is irrelevant, Your Honor. But what's relevant is the 87,000 of state water rights that are still left that have not been cancelled. Historically, after a hundred years of existence, 54,000 acres have been irrigated on the Reservation. And never more than that. In any one year only about 35,000. And, yet, under the water Proviso state water rights, 87,000 acres may be irrigated. And there's no suggestion that at any time, and no evidence that under any particular scenario, more than the 87,000 -- or 90,000 in round numbers --

QUESTION: Uh-huh.

MR. WHITE: — would ever be needed to be irrigated. As a practical matter, if the needs of the Indians should shift from an agricultural-based economy to some other based economy, under wyoming law those

state water rights can be changed to other purposes so long as the consumptive use is not increased.

QUESTION: And I suppose the PIA standard just assumes that you're allotting water for irrigation?

MR. WHITE: Well, it does --

QUESTION: For agriculture.

MR. WHITE: It does assume that you're only -- MR. WHITE: Well, it says it's for practicable

irrigable acreages. How much do you need for agriculture?

MR. WHITE: Well, it certainly isn't measured by the PIA doctrine, as we found out below.

QUESTION: Well, it certainly -- it certainly doesn't measure the -- the water needs for any other purpose.

MR. WHITE: That's correct. And it certainly doesn't measure what Congress may have had in mind for the -- for the agricultural needs of that reservation.

That --

understand Justice Scalia's question and your answer,
you would fix in this decree for all time the amount of
water to which the Indians are entitled based on your
present understanding of congressional intent?

MR. WHITE: We would fix it based on what

Congress said, Your Honor. Not our understanding, but what they said in 1905, in the 1905 Act Water Proviso.

QUESTION: And that would, so far as you're concerned, be a binding adjudication for all time?

MR. WHITE: If this Court defers to express congressional intent, it would be. If this Court wishes to go behind the expressed intent and find another intent by implication, I don't see how it could be. If it --

QUESTION: Well, let's Just assume, though, that it was Just an ordinary case like in Arizona. We decided what the -- how much water, based on this formula, and that's in the decree now, isn't it?

MR. WHITE: That's correct. And that's resjudicata.

QUESTION: And It's not about to be changed, I don't suppose.

MR. WHITE: It never will be.

QUESTION: If the Indians need more water, why, the United States will have to condemn it.

MR. WHITE: Either that or make a new appropriation or a new reservation.

I'm not sure I responded to your question,

Justice Kennedy. I'm --

QUESTION: Well, I -- the only further question

MR. WHITE: Where you're really trying to determine intent — as of 1868, as of the date of the treaty. But just as Congress can enter into these various settlement acts to settle Indian water right disputes, it can adopt the 1905 Act. And if any — in theory, anything that happened after 1905 is irrelevant.

But this case is here on the question of what is the proper quantification standard, not whether the water right continues to exist.

Now, had you accepted certiorarl on the first question, we would have been arguing that you can stop in 1905 and not worry. But you accepted certiorarl on the second question, which is the measure of the reserve right, and that's -- that's why we're here.

QUESTION: What does the 1905 Act have to do with what Congress intended in 1868? That's a -- that's a long time spread in between all of that. I mean --

MR. WHITE: Well, it has absolutely nothing to do with what Congress intended in 1868.

QUESTION; So, if Congress Intended more in 1868, if it intended enough water for all the practicably irrigable acreage, Congress, by passing the

MR. WHITE: Once the 1905 Act came along, it occurs to me, Your Honor, that it doesn't make any difference what Congress' intent was in 19 -- or, excuse me -- 1868, unless it was Congress' intent to reserve more water than that for which state awarded water rights were optained in 1905.

QUESTION: Well, can they just take away the water rights they had given in 1868? Could they --

MR. WHITE: They do it all the time under this

-- as early as 1896 in a case involving this particular

Reservation. It wasn't a water right case, but -- Ward

v. Racehorse. Express Indian treaty rights were taken

away under the plenary power of Congress.

QUESTION: They also relinquished most of the

-- an awful lot of the water rights -- state water

rights that were obtained for the reservation.

MR. WHITE: That's true. And voluntarily so, Your Honor.

I would — unless the Court has further questions, I would like to reserve the remainder of my time for rebuttal.

QUESTION: Very well, Mr. White.

ORAL ARGUMENT OF JEFFREY P. MINEAR ON BEHALF OF RESPONDENTS

MR. MINEAR: Mr. Chief Justice, and may it please the Court:

The sole question presented in this case is whether the Wyoming Supreme Court erred in following this Court's decision in Arizona I in measuring the tribe's reserved water right based on the PIA standard.

we submit that the Wyoming Supreme Court's decision was correct for three reasons. First, this case is Indistinguishable from Arizona I. Second, this Court's decision in Arizona I is sensible and correct and should not be discarded or replaced. And, third, the retention of Arizona I's PIA standard is essential to insure an orderly, efficient, and certain resolution of this and other ongoing Indian water rights disputes.

I would like to begin by emphasizing the question here is not a matter of first impression. This Court addressed how to measure Indian water rights 25 years ago in Arizona I. It applied the PIA standard, relying on Special Master Rifkin's careful analysis of the matter.

Arizona I's logic is both straightforward and compelling. Since the United States set the reservation lands aside to enable the Indians to become productive

The Court's rellance on irrigable acreage was not novel.

QUESTION: Well, why -- why is that such a natural conclusion? I mean, why would you say that -- if you give somebody a certain amount of agricultural land, I assume you would think that he'd have as much water as everybody else around him.

MR. MINEAR: Not here --

QUESTION: But not all the water and then whatever is left over can be used for everybody else.

MR. MINEAR: Well, Justice Scalla, I think your -- your concern really was answered in Winters in 1908.

This is the question that was presented in Winters. Was there a reserved water right that was created by the creation of an agricultural Indian reservation?

reservation of the right. I'm questioning the volume of it, why you — you asserted as simply self-evident that if you reserve any water right, you reserve enough water not just to enable this tract of land to be irrigated as well as anything in the area is irrigated, but rather to have this tract of land irrigated a 100 percent even if

everything around It has to go dry.

QUESTION: -- people are selling water?

MR. MINEAR: Pardon?

QUESTION: These people are not selling water, are they?

MR. MINEAR: I don't -- no, they're not selling water to my -- it's not my understanding.

MR. MINEAR: I don't believe that's -- that's true. I think that perhaps the tribes' counsel has a better answer to that, but it's my understanding that they are not. They are leasing some of their Indian lands for farming purposes, but I don't believe that they're selling any of their water rights here.

In any event --

QUESTION: Are they using all the water that's been allocated in this proceeding?

MR. MINEAR: At present, no they're not using all the water.

QUESTION: Well, what's happening to it?

MR. MINEAR: It's flowing downstream and being used by non-Indians.

QUESTION: Well, have they -- have they attempted to obstruct the flow on down the stream?

MR. MINEAR: I don't -- I believe that last

year -- and, again, I think the tribes' representative is probably more knowledgeable on this point than I am. But last year I believe that they did attempt to assert the rights that were decreed by the Wyoming courts.

QUESTION: What were they going to use it for?

MR. MINEAR: I believe it was for irrigation

purposes. These were for irrigation purposes on Indian
lands.

QUESTION: Didn't they receive a payment from the state not to assert those rights?

MR. MINEAR: Again, this — this is all outside the record, first of all. This was brought up by Wyoming in addition of their factual statement described as subsequent events outside the record. So, I don't know how much you'll find in terms of accuracy, in terms of what actually happened here.

But I believe it's the tribes' view that this was a comprehensive settlement of certain other matters, as well as certain water rights disputes.

But I'd like to return to what -- the question you originally raised, Justice Scalia, which is the measure of the water and the water right when the reservation land was set aside.

I think it's quite logical that when these parties determined a set amount of acreage to be set

aside for a reservation and also determined that a

certain amount of that land would be available for

farming -- in this case, it's less than five percent of

the total reservation acreage -- that the reserved water

right would be sufficient to meet those farming needs.

QUESTION: Mr. Minear, in calculating what's practicably irrigable, is it necessary to take into the calculus whether additional irrigation projects are reasonably likely to be constructed to make it possible?

MR. MINEAR: In terms of -- are you talking about Irrigation projects constructed by the Indians to put their water to use or --

QUESTION: Or the Federal Government --

QUESTION: -- on their behalf?

MR. MINEAR: In planning future projects what the government does, it goes through, as the first step

QUESTION: No. I'm talking about measuring the practicably irrigable acreage.

MR. MINEAR: Yes.

QUESTION: Does one have to take into the calculus whether any of these projects to make it irrigable will be constructed?

MR. MINEAR: Yes. I think that that is what we

have come up with. Our economic analysis represents projects that can in fact be profitably run.

QUESTION: That could be run. Would those projects have met Bureau of Reclamations standards or are they projects that in fact are likely to be constructed?

MR. MINEAR: They would exceed Bureau of Reclamation standards. The -- the economic analysis that we impose on Indian projects is in fact stricter than the Bureau of Reclamation's analysis. And, in fact, that has been one of the concerns of the tribe, that we in fact impose more rigorous economic requirements on the tribes than the Bureau of Reclamation imposes on non-Indian farmers.

As far as these projects being constructed, these projects can be constructed. I think there's a good likelihood that they would be constructed because they in fact would bring in income to the tribe. These are not simply fantasy projects. These are real projects that have been analyzed based on sound engineering, scientific and economic factors.

And we -- one need only examine the Special Master's report to see how carefully these matters were In fact considered.

QUESTION: What would these projects do? Make

more irrigable land available to the Indians?

MR. MINEAR: Essentially what they would do is they would increase the water supply to land that is practicably irrigable. That is irrigable in that sense. That this is — there is good farm land out there that could be in fact put to use and could grow profitable crops that could be sold on the market.

QUESTION: Now, does this mean that Indians would be farming it or that the Indians would lease it to other people?

MR. MINEAR: I think the tribes' plans are that the Indians would farm it. And, in fact, the economic analysis was done on that basis.

QUESTION: Does the calculus of the practicably irrigable land depend in anyway on whether the tribes intend to farm it themselves or intend to sell off the rights they obtain?

MR. MINEAR: I think it does depend on the fact that the tribes will sell it themselves. I think that that was the basis --

QUESTION: That what?

MR. MINEAR: It does -- it does take into account that the tribes would develop these lands. That was the basis of the --

QUESTION: And use --

QUESTION: And as of what date is the standard

25

MR. MINEAR: The standard is based on 1980 projections, in large part by agreement by all the parties. Wyoming, in fact, agreed to this, to the use of current technology and in fact advocated it. And although this issue has been raised rather late, I would refer to you in the record, the Volume 5 of Wyoming's Proposed Findings of Fact and Conclusions of Law, 15-12 at page 623.

QUESTION: Well, I don't suppose that agreement binds us.

MR. MINEAR: No, it doesn't. But I think there are good reasons for using the -- the current --

QUESTION: If you go back to -- if you talk about what the intent was back in the 19th Century, It would be hard to -- hard to think that these projects would ever have been contemplated.

MR. MINEAR: Well, the projects might have been smaller, but there would have been much greater water usage. And I think there are three good reasons for using the current technology, in any event.

Our first is a matter of precedent. This is what was done in Arizona 1. And, in fact, this Special Master notes -- I think that's at page 535(a) of the

Special Master Report.

Second, simply as a matter of the feasibility of proof. We can in fact get experts who can testify on the economics and the engineering aspects of present irrigation systems. And those matters can be proven. This is a matter that is, to use wyoming's terminology, capable of proof. Trying to prove 1868 irrigation technology would be fairly speculative and I think would probably make the — would decrease the accuracy of the actual water determination here.

QUESTION: By the way, what -- what crops are being -- what crops are grown on the reservation?

MR. MINEAR: We are growing --

QUESTION: For sale?

MR. MINEAR: -- or, the tribes, in fact, are growing alfalfa and small grains. The economic analysis was based on those particular crops. Those are the same crops that are grown by non-Indians.

On that subject, since we're talking -- since Wyoming did raise the question of the restoration of lands for grazing purposes, I think that's incorrect, and I would simply refer you again to the Special Master's Report in the petition appendix. The petition appendix indicates in the restoration orders -- there is no mention that these lands were restored for grazing

purposes. They are simply restored to the tribe to be used for whatever purposes might be appropriate.

And so it's perfectly acceptable to quantify the water right on that based on the fact that they can be irrigable land.

QUESTION: Mr. Minear, why did the government give up state water rights --

MR. MINEAR: What --

MR. MINEAR: There's two critical periods where this occurred. First of all, as I think our brief points out, we sought protective water rights shortly before Winters. After Winters was decided, to a large extent we ceased seeking out those permits. We believed that Winters —

QUESTION: Well, you allowed some to -- to lapse.

MR. MINEAR: In 1963 after Arizona I. That, in fact, reflects our view of — of what this Court held in Arizona I. It established the PIA standard. We felt, therefore, there was no further need to continue to create this paper cloud on state water rights system.

And what we actually did here is we simply did not renew them. These permits have not been cancelled.

And, in fact, there is a phase three proceeding in this

-- in this case that will in fact go through the permits one by one and determine which permits should be retained and which should be formally cancelled by the state.

QUESTION: Can you, under Wyoming law, retain a right that long? It's a matter of state law, at any rate?

MR. MINEAR: It's -- It's my understanding that one simply needs to file an extension and they can extend it every five years or so. So, this is a common practice and a big problem in Wyoming, as a matter of fact.

QUESTION: Now, you had three reasons to use current technology. It was done in Arizona I. There is feasibility of proof. And then is there a third reason?

MR. MINEAR: The third reason is I think that this is consistent with what Congress probably intended back in 1868.

when Congress looked at this -- or, I should say, the treaty partners since this is a treaty in this case, and it should be interpreted with respect to the Indians in that regard. But I think the treaty parties recognized that the Indians would have ample water to irrigate their lands. In fact, it's reasonable for the tribes to believe they would have had all the water in

this water shed since the land was being set aside for them.

But, in any event, they probably were not thinking about a specific number of acre feet of water that would be applicable. And I think the best inference of what they would have intended is that when — if there came a time and need for quantifying that standard, or quantifying the amount of water that is necessary, it would be done on the best available information. And that's what we've done here in 1980.

I think that Wyoming all but concedes that this case is indistinguishable from Arizona I and, therefore, at least in its brief, it's forced to argue that Arizona I itself must be discarded or replaced.

Now, we disagree with this. This Court does not lightly discard its precedence.

QUESTION: Arizona I contains virtually no reasoning.

MR. MINEAR: I think that it does contain the core kernel of reasoning that's important to the — the determination of a water right. Namely, there is the feasible and fair method for determining the amount of water that's needed for land that's set aside —

QUESTION: Well, but --

MR. MINEAR: -- for agricultural purposes.

QUESTION: -- ordinarily in a court opinion that is a conclusion you reach after a discussion of possibilities. All that is is a statement of a conclusion.

MR. MINEAR: But the discussion took place in the Special Master's Report, which, in fact, that's appended to our brief.

QUESTION: Yeah, but ordinarily we don't consider the report of a Special Master as someone Incorporated by reference Into the Court's opinion.

MR. MINEAR: On the other hand, the statement in the opinion in Arizona I was that we agreed with the Special Masters report. That's in fact what the Court has said.

QUESTION: Well, about those --

MR. MINEAR: Pardon?

QUESTION: About those reservations.

MR. MINEAR: About those particular reservations. But these Reservations are indistinguishable. In fact, there is a stronger argument, I think, in this case than in those cases.

QUESTION: Well, there's no history about those reservations in Arizona I, like there is nere in wyoming.

MR. MINEAR: That's right. The history here supports wyoming's --

QUESTION: Well, you could say --

MR. MINEAR: With respect to the agricultural --

QUESTION: -- they are different reservations.

MR. MINEAR: But the --

QUESTION: They're not the same reservations.

They are different Reservations.

MR. MINEAR: They — they might be different reservations, but the agricultural purpose of these reservations is even more clear than those Executive Order ones.

QUESTION: But it was also -- this -- this reservation was intended for particular tribes, Shoshone and later another tribe was added. But --

MR. MINEAR: The treaty itself Indicates, though, that it was for other tribes that might be settled amongst them. So I don't think that it's -- it was clear that only the Shoshones would -- that only the Shoshones would reside on that tribe.

QUESTION: Well, in Arizona I it was clear that It was — It was not for any particular tribe or others that might settle amongst them. But for all Indians. Isn't that right?

I mean, I find It difficult to believe that in 1868 Congress, no matter what the size of the Indian population that was contemplated to be on the -- on the

reservation in question, should be deemed to have said we're giving enough water to irrigate every -- every inch of arable land. No matter how large the tribe they thought they were settling. Did they expect to make some tribes very rich so they could have an enormous export business --

MR. MINEAR: Well, I think --

QUESTION: -- in agricultural products or -
MR. MINEAR: -- the idea that these tribes
would become very rich off of this grant of water is
simply a fantasy.

QUESTION: Well, I thought -- I thought that the purpose of the -- of the agricultural grant was to enable them to grow food by which they would live.

MR. MINEAR: Yes. And I think it's very reasonable to assume that the size of the Reservation and the amount of arable land that was set aside for them represented the best judgment of the treaty partners of what their future needs might be.

I don't know how else you would measure the future needs except by the amount of land that the parties determined was necessary to meet those future needs.

This was set aside as a permanent homeland for the tribes.

MR. MINEAR: I think it does in the sense that they do need — that the measure of necessity is the amount of water that's needed to irrigate the practicably irrigable land.

And, In fact, that's what Wyoming had argued. If you look at their objections to the Special Masters Report, pages 24 through 27, their objection to the PIA standard was -- In fact, they did not object. They said that that was the -- in essence argued that that was a part of the minimal needs test. The PIA standard should be applied in this case.

QUESTION: There is no argument in this case about how much water is necessary to irrigate an acre?

MR. MINEAR: I don't believe so, except for the fact of the matter -- not in this case -- that we're being held -- the tribes are being held to a stricter efficiency standard than anyone else in both their historic lands and their future lands. And, again, this simply verifies that the amount of water that was quantified here is really quite reasonable.

QUESTION: Do we usually get --

QUESTION: You don't want --

QUESTION: Excuse me.

QUESTION: -- you don't want the reserved right to ever be subject to diminution for non-use?

MR. MINEAR: That's -- well, that is in the very nature of a reserved water right.

QUESTION: Well, it doesn't have to be.

MR. MINEAR: I think --

QUESTION: It certainly doesn't.

MR. MINEAR: I think that that has been the clear implication.

QUESTION; Well, it doesn't have to be. If water is scarce and nobody is using it --

MR. MINEAR: Well, if there is a problem -QUESTION: I mean, under most -- under most
state laws you either use it or lose it.

MR. MINEAR: But the federal reserve water rights are an exception to the --

QUESTION: It's not a total exception as If it stood there on a plateau all by Itself while all the appropriative rights went down to nothing. There — there is no doctrine of water law that elevates one water right over the other to that extent.

MR. MINEAR: But if the water was initially reserved for the reservation, It was set aside by Congress, the It seems as if Congress is the party that needs to worry if there are later shortcomings —

MR. MINEAR: But I think Congress -QUESTION: And they certainly haven't spoken
with --

MR. MINEAR: -- has relied on every decision since the -- has been relying on every decision since the 1908 Winters decision, including the Powers decision, including Arizona I. In fact, the present congressional activity indicates that sort of reliance.

QUESTION; Mr. Minear, do you have any idea how many more areas there are in the United States where there are reserved water rights for tribes that haven't yet been determined?

MR. MINEAR: Well, I think that there are a good number of those. And those are presently being quantified — and settlements are being made, and they're being done on the PIA standards. And that's one of the important reasons why the PIA standard should be retained.

QUESTION: Well, there are a lot more yet to be

determined, in other words.

MR. MINEAR: There are a fair number that need to be determined. Yes, but --

QUESTION: Like how many?

MR. MINEAR: -- of them -- there could be as many as 20, I suppose.

QUESTION: Uh-huh.

MR. MINEAR: Perhaps more.

QUESTION: But the PIA standard as set in the Master's Report in Arizona I, isn't that a legal principle? Do we usually defer to Special Masters on legal principles?

MR. MINEAR: I think that when a Special Master's Report has been incorporated into existing law to the extent that the Special Master's Report has here, I think It's very important to recognize the element of certainty that it has created.

I would like to also point out that since the question of shortages has come up --

QUESTION: If there is anything that is created under certainty around -- in the water business in the western states, it's this whole process of quantifying the reserved right.

MR. MINEAR: But I think once the right is quantified, there is no uncertainty.

MR. MINEAR: And with respect to the notion of shortages the Chief Justice raised, I'd simply point out that the Wyoming Supreme Court noted here that there would be — there was no indication of any gallon-for-gallon reduction in this case. And for that reason, it eliminated the storage requirement that was — that had been imposed by the lower courts in any event.

So, the extent that we're talking about interference with other water rights, that is not present in this case, and I would suggest that we should wait until one of those cases actually arises before we raise that as a -- as a concern for setting aside the PIA standard.

once -- your suggestion is that if we set -- once the reserved right is established with a priority date of 1868, there is never any other water right going to take precedence over that.

MR. MINEAR: Well, that's right in this basin.

But, also, there's a limited amount of irrigable land in this basin. And the general view is that the -- for the land that is now in service, there would not be any

gallon-for-gallon reduction for that land.

I see that my time has expired.

QUESTION: Thank you, Mr. Minear.

Ms. Williams.

ORAL ARGUMENT OF SUSAN M. WILLIAMS

ON BEHALF OF TRIBAL RESPONDENTS

MS. WILLIAMS: Mr. Chief Justice, and may it
please the Court:

If the time permits me today, I would like to emphasize just two points. First, the natural understanding of the treaty at issue in this case is that the United States and the Shoshones reserve sufficient water to irrigate all of the reservations. That is, their permanent homes, farmable land for both the present and for the future generations. This vested property right cannot now be easily discarded or replaced without clear and unambiguous congressional abrogation.

Second, water quantification standards other than the PIA standard either legally or infirm because they take the future out of the Winters Doctrine, as is the case with the proposed historically irrigated acreage standard, or they do not achieve the fixed present determination of Indian water rights long mandated by this Court.

Moreover, any standard other than PIA simply is not fair or just in light of the historic and the present conditions on the Wind River Reservation.

Before the treaty and the Reservation's creation, the Shoshones hunted and fished in what are now three western states. After the treaty, the Shoshone agreed to live in a very much diminished land area although this still is the third largest reservation in the country. They would subsist primarily on agriculture.

No evidence exists anywhere in this case that the great Chief Washike in 1868 failed uncharacteristically to consider the needs of all of his people, both the future generations as well as the present generations when he reserved lands in the best water area of Wyoming. The only way to have considered both the present and the future generation's needs for water was to reserve at least the water necessary to farm the reservation's farmable land.

In 1908 this Court in winters recognized that when reservations were set aside, water was set aside for all time. In 1963 this Court in Arizona against California I --

QUESTION: Ms. Williams, the Winters Doctrine was just an intent that this Court attributed to

Congress, wasn't it? Congress aldn't say in so many words, in the reservations we're setting aside the water.

MS. wILLIAMS: That's correct. It is this

Court's reading of the implied intent of Congress, and

Indeed the implied intent of the Indians, as the tribes
submit, is that they would set aside land and sufficient
water to farm all of that much diminished reservation
after having prior to that time having economic
opportunities to hunt and fish in a vast public -- vast
domain out west.

In 1963 this Court in Arizona against

California concluded that the only feasible and fair way to achieve that fixed present determination of Indian agricultural water for present and for future Indian needs since population increases are difficult to predict, is the PIA.

QUESTION: What is the Indian population on the reservation?

MS. WILLIAMS: The current Indian population on the Wind River Indian Reservation is about 5,400 Indians.

MS. WILLIAMS: We are not clear, but it was something much smaller than that size there. But, again, in 1868 the chief of the Shoshones had in mind to protect and to reserve water not only for the then

QUESTION: What was it in 1868? Do you know?

aside by the Shoshones and agreed to by the United
States in a solemn contractual bargain cannot now be
divested, easily discarded, or replaced without clear
and unambiguous congressional intent.

22

23

24

25

The State of Wyoming suggests that such congressional intent can be found in the 1905 Act in the

Water Proviso that authorized the expenditure from the remainder of \$85,000 after a per capita payment was to be made to the Indians is such clear and unambiguous congressional intent to divest the property right, the water right, that was set aside in 1868.

This just makes no sense at all for several reasons. First of all, the \$85,000 was the tribe's money. That was money set aside from the receipts of the land sales in the open area of the reservation. The vast portion of that was to be spent on a per capita distribution to the tribal members at that time. Only the remainder, said the United States, could be used to purchase state water permits for the reservation at a time prior to this Court's decision in 1908 when there was uncertainty as precisely the scope of the federal reserve water right, and, indeed, the quantification of it.

Any standard against this backdrop of an 1868 right, a 1905 Act statue by Congress that does not clearly divest that right, as required by this Court, that would serve as a substitute for the PIA standard, as Wyoming submits, must be premised on the need for future water. That is legally unsound. It is blind to present facts, and it grossly distorts history.

The need, the equities, as this Court pointed

out in Cappaert unanimously in 1976, are not to be 2 balanced in determining the scope of federal Indian 3 Reserve water. Though not legally relevant, wyoming suggests that the tribes have had ample opportunity to 5 demonstrate the amount of water needed for this 6 reservation, ignoring utterly that over the last 80 7 years the Federal Government has funded Irrigation 8 projects at Wind River and throughout the west primarily 9 for the benefit of non-Inglans. A bias described in 10 1973 by the National Water Commission as one of the 11 sorrier chapters in the history of the United States 12 government's treatment of Indian Tribes.

This federal bias is starkly in evidence at Wind River. Over \$70 million has been spent on irrigation projects that benefit primarily the non-Indians. Only \$4.4 million, in contrast, has been expended by the United States government for the Indian irrigation projects.

13

14

15

16

17

18

19

20

21

22

23

In these circumstances, the state simply cannot in good faith argue that the tribes have had ample opportunity to demonstrate their need for water.

The Indians' need for water in this case now should come as no surprise to the state. In 1905 the United States, as a pre-Winters precaution, obtained permits for about 125,000 acres of land for Indian

irrigation. Indeed, before trial, the state argued 102,000 acres on this Reservation were PIA.

The simple fact is these tribes, under any standard, need the water awarded to them by the Wyoming Supreme Court, which, as we have shown in our briefs, is a modest award considering the amount of acres per tribal member now and over time that can be irrigated with this award.

Agribusiness represents the only certain hope for this tribe's sustained economic future on this reservation. This reservation is large, but it is remote, and it has considerable available land. Its only other natural resource is oil and gas. It is depleting very rapidly. With 70 percent of the tribal members unemployed, expanded agriculture and related businesses, even if only as subsistence, can make a real difference.

The tribe -- the Shoshone Tribe recently executed a contract to sell all of the barley it can produce.

In addition, many tribal members are cattle producers, but due to the lack of grasses to feed their cattle through the winter, they currently sell those calves at less than half the weight the cattle industry's experience shows is where the major profit

In short, by any definition, the tribes in this case need their future water. For the first time in their history, the Shoshone and the Arapaho Tribes are poised to build a sustained and productive reservation agricultural economy. This is what their ancestors envisioned in 1868 and what the tribes must do in 1989 to alleviate staggering unemployment and poverty-related social ills on this reservation.

Not only will the tribal people benefit from this, but so will the regional economy as dollars flow off the reservation for machinery, retail, and for other purposes.

QUESTION: Do you think the -- do you think the reserved right should incorporate or should be used to maintain instream flows?

MS. WILLIAMS: The reserved right that was set aside in 1868 was to be primarily for agricultural purposes. But what the Indians intended impliedly in 1868 was to have water sufficient to live on that reservation for all time.

we would argue that the Shoshones and the Arapahos should not be subject to any restrictions as to transfer of uses because no other water rights holder in this country is so similarly restricted.

If the need for water in the short-term is for uses other than agriculture, we would submit that the tribes should not be restricted from doing so.

CHIEF JUSTICE REHNQUIST: Thank -- thank you,

Ms. Williams. Your time has expired.

Mr. White, do you have any rebuttal?

REBUTTAL ARGUMENT OF MICHAEL DOUGLAS WHITE

ON BEHALF OF PETITIONER

MR. WHITE: I do, Your Honor. The suggestion was made by counsel for the tribes that they are poised for a period of economic development, and reference was made to a number of examples of why that position is now enjoyed.

I'd point out to the Court that none of that material is in the record. There was no evidence below of any poised tribe, or anything like that. The evidence below —

QUESTION: Should the rule against going outside the record work both ways?

(Laughter.)

MR. WHITE: I suppose, Your Honor. But if

you'd like to ask me about the record, I'd be glad to respond.

QUESTION: I'd rather stick to the record on both sides myself.

MR. WHITE: Well, if I've -- If I have failed to do so, Your Honor, I wish you'd call It to my --

QUESTION: Well, you did fall to do so. You have a long section in your brief on what happened after the trial.

MR. WHITE: I'm sorry, Your Honor. I tried to make it clear that that was outside the record.

There have been -- there has been some suggestion that the -- there is no acre-for-acre -- or, excuse me, gallon-for-gallon reduction in Wyoming for state water rights as a result of the reserved right.

And that is what the Wyoming Supreme Court did say. But the triers of fact, the Master in the district court, did not say the same thing.

At page 232(a) of the Petitioner's Appendix you will find the district court's observation that "holders of state awarded water rights will find their formerly valuable water rights worthless."

QUESTION: Well, ordinarily we take the word of the Supreme Court of the state over the district court unless it's some obvious mistake. Did the Supreme Court of Wyoming look at it differently than the district court did?

MR. wHITE: They didn't look at it, Your
Honor. They made the -- just made the conclusion that
there is no finding below and you're as free as the
Wyoming Supreme Court to look at the findings below.

QUESTION: They said that there was no finding below and they were -- that was what they based their statement on?

MR. WHITE: Yes, sir. It's also been suggested that the 55 percent of the PIA that was restored to the reservation had no relation to grazing purpose. No purpose at all was described. I would refer the Court to page 741(a) of the Petitioner's Appendix in which is located the restoration order for the largest of the future project. And it says, whereas the tribes — quote — "require additional grazing land to support their expanded livestock industry"— close quote — there will be a restoration.

QUESTION: Mr. White, suppose these were all state water rights that had been involved here and they weren't being used completely and the water that wasn't being used flows on down the stream. Suppose they wanted to use the water for something else, would the junior appropriators down below have a valid objection?

MR. WHITE: Absolutely. And that points out the stark distinction between the state and federal rights involved here. We're --

QUESTION: Well, we don't know whether that's different or not.

MR. WHITE: I'm sorry, Your Honor. As have been argued. The state water right user, if he wished to change his water right to a different use or a different place of use or a different time of use, would have to demonstrate that that change would not injure anyone else. Not only that it wouldn't injure anyone else, but that there had been continued use over a long period of time, over a long what's called historic use, before that change could be made.

Each of the western states has a mechanism established for changing existing state water rights. None of them allow a change without an inquiry into historic use and injury.

QUESTION: But does every -- does every state have a mechanism for saying if you don't use your water right, you lose it?

MR. WHITE: In one way or the other every state has either an abandonment or a forfeiture statute, Your Honor.

QUESTION: But It takes some time, though,

doesn't 't?

MR. WHITE: That's right. It -- every -- I know of none where the period is less than five years, and several where the period is as much as ten,

If there are no further questions, that's all I have, Your Honor.

> CHIEF JUSTICE REHNQUIST: Thank you, Mr. White. The case is submitted.

(Whereupon, at 1:56 p.m., the case in the above-entitled matter was submitted.)

CERTIFICATION

Iderson Reporting Company, Inc., hereby certifies that the ttached pages represents an accurate transcription of ectronic sound recording of the oral argument before the upreme Court of The United States in the Matter of:

5. 88-309 - WYOMING, Petitioner V. UNITED STATES, ET AL.

nd that these attached pages constitutes the original ranscript of the proceedings for the records of the court.

)

(REPORTER)

PECETVED SUPPLIES COURT, U.S. MARIANA & STERIE

*89 MAY -2 P4:33