

1 IN THE SUPREME COURT OF THE UNITED STATES

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3 UNITED STATES ARMY CORPS :

4 OF ENGINEERS, :

5 Petitioner : No. 15-290

6 v. :

7 HAWKES CO., INC., ET AL., :

8 Respondents. :

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10 Washington, D.C.

11 Wednesday, March 30, 2016

12

13 The above-entitled matter came on for oral

14 argument before the Supreme Court of the United States

15 at 11:07 a.m.

16 APPEARANCES:

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18 Department of Justice, Washington, D.C.; on behalf of

19 Petitioner.

20 M. REED HOPPER, ESQ., Sacramento, Cal.; on behalf of

21 Respondents.

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1	C O N T E N T S	
2	ORAL ARGUMENT OF	PAGE
3	MALCOLM L. STEWART, ESQ.	
4	On behalf of the Petitioner	3
5	ORAL ARGUMENT OF	
6	M. REED HOPPER, ESQ.	
7	On behalf of the Respondents	26
8	REBUTTAL ARGUMENT OF	
9	MALCOLM L. STEWART, ESQ.	
10	On behalf of the Petitioner	49
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 P R O C E E D I N G S

2 (11:07 a.m.)

3 CHIEF JUSTICE ROBERTS: We'll hear argument
4 next this morning in Case 15-290, the United States Army
5 Corps of Engineers v. Hawkes Company.

6 Mr. Stewart.

7 ORAL ARGUMENT OF MALCOLM L. STEWART

8 ON BEHALF OF THE PETITIONER

9 MR. STEWART: Mr. Chief Justice, and may it
10 please the Court:

11 A jurisdictional determination issued by the
12 Army Corps of Engineers is not final agency action
13 because it does not order any person to do or refrain
14 from doing anything and does not alter anyone's legal
15 rights and obligations. The jurisdictional
16 determination, or JD, expresses the Corps' opinion about
17 whether a particular tract contains waters protected by
18 the Clean Water Act. That stated opinion may affect the
19 recipient's assessment of the options available to it,
20 but it does not affect the actual legal status of those
21 options.

22 This Court's precedents made clear that the
23 practical effects on which Respondents rely are not a
24 sufficient ground for treating an agency communication
25 as final agency action.

1 Now, the Respondents primarily emphasize the
2 practical impact that the Corps' jurisdictional
3 determination would have upon themselves, the recipients
4 and the intended audience. And they say the
5 jurisdictional determination indicating that the Corps
6 believes there are waters of the United States on the
7 Property will force them to choose among three
8 unattractive options: One, would be seeking a permit
9 which could be an expensive process and wouldn't be by
10 any means certain to succeed; the second would be
11 discharging pollutants, discharging fill onto the
12 Property and taking their chances in a future
13 enforcement action; and the third would be playing it
14 safe, forgoing development entirely.

15 And the problem with Respondents' argument
16 is that that choice would have existed before the
17 jurisdictional determination was issued. It would have
18 existed if the Corps had never adopted its practice of
19 issuing jurisdictional determinations upon request.
20 It's simply a choice that is posed by the Clean Water
21 Act.

22 JUSTICE ALITO: If there were a provision of
23 law saying that a jurisdictional determination by the
24 Corps or by the EPA is binding on the federal government
25 in future litigation, would that be reviewable?

1 MR. STEWART: I think if the -- if the
2 statute said that, we would have a very different case,
3 because in that case we would have something much closer
4 to Bennett v. Spear.

5 In Bennett v. Spear, the Corps -- the Court
6 was dealing with a biological opinion issued by one
7 Federal agency, the Fish and Wildlife Service to another
8 Federal agency, the Bureau of Reclamation, and it
9 included an incidental take statement. And the terms
10 and conditions of the incidental take statement affected
11 the legal options that were available to the Bureau of
12 Reclamation.

13 JUSTICE ALITO: Well, it would be a
14 different case, but are you able to say whether that
15 would be reviewable under the EPA?

16 MR. STEWART: Yes. I think if the -- if the
17 Corps' jurisdictional determination were legally binding
18 upon the EPA, if it foreclosed the possibility of an
19 enforcement -- of an EPA enforcement action that was
20 inconsistent with the terms of the jurisdictional
21 determination, yes, we think that the JD would be
22 judicially reviewable.

23 But I think it's important to -- to point
24 out how far removed that is from the actual statute
25 before us. That is --

1 JUSTICE ALITO: Well, let me just ask about
2 how far removed it is. There is no such statute, that
3 certainly is true, but there is a Memorandum of
4 Understanding between the Army and the EPA, and it says,
5 quote, "case-specific determinations" -- and I think
6 that includes jurisdictional determinations -- "made
7 pursuant to the terms of this Memorandum of
8 Understanding will be binding on the government and
9 represent the government's position and any subsequent
10 Federal action or litigation regarding the case."

11 So is your -- would your argument be that
12 because this is in a Memorandum of Understanding as
13 opposed to a statute or a regulation, the situation is
14 different, and that is insufficient to make the
15 jurisdictional determination reviewable?

16 MR. STEWART: That would be one argument,
17 but the other argument, and I think we've made this
18 point in the reply brief, that particular Memorandum of
19 Understanding was dealing with what are referred to as
20 "special case determinations."

21 There are -- situations occasionally arise
22 where the agencies perceive at the outset that there
23 could be dicey questions. There could be questions of
24 coverage on which the Corps and EPA might disagree. And
25 since 19 --

1 CHIEF JUSTICE ROBERTS: Well, I don't -- I'm
2 sorry to stop you right there, but I don't think that's
3 right. I'm looking at the Memorandum as well, and it
4 says in Section 2 -- no, I'm sorry, (4) (C) (ii), it
5 describes nonspecial cases. It says, "For those
6 projects not involving a special case, the DE" -- in
7 other words, the district engineer, the Army Corps, not
8 EPA -- "the DE shall make final determinations and
9 communicate those determinations without a requirement
10 for prior consultation with EPA."

11 So while it talks about the division of
12 authority between special cases and the mine-run cases,
13 it certainly says something about nonspecial cases.
14 That's what Section 2 is titled "Nonspecial Cases."

15 MR. STEWART: But -- but we understand the
16 language about the ultimate determination being binding
17 on the government in subsequent litigation as referring
18 to special case determinations.

19 CHIEF JUSTICE ROBERTS: Well, but I don't
20 see how you can do that. I'm looking, you know, at
21 6(a). It says all final determinations must be in
22 writing and signed by either the DA -- either the Army
23 Corps person -- or the regional administrator -- the EPA
24 person.

25 And it says that those will be binding on

1 the government and represent the government's position
2 in any subsequent Federal -- Federal action or
3 litigation concerning that final determination."

4 It is referring to those that are -- it's
5 referring to all final determinations by either the Army
6 Corps of Engineers or EPA.

7 MR. STEWART: I -- I take it we're looking
8 at the 1989 memorandum, Memorandum of Agreement?

9 CHIEF JUSTICE ROBERTS: It's the one --
10 yeah, the one you cite in footnote 3 of the reply brief,
11 where you say that it does not address mine-run core
12 jurisdictional determinations.

13 MR. STEWART: I -- I think we would still
14 think of the -- the general -- the final determinations
15 as referring to special case determinations, but even if
16 the Memorandum of --

17 CHIEF JUSTICE ROBERTS: Well, just to pause
18 there, how can you do that when it says all final
19 determinations signed either by the D -- the district
20 engineer, who does not have authority over special
21 cases, or the regional administration -- administrator?
22 How can you read that as applying only to the special
23 case determinations?

24 MR. STEWART: Well, we are -- it is saying
25 final determinations of the DEA or RA made pursuant to

1 this MOA, which is referring to -- which is a MOA -- MOA
2 that is referring specifically to special case
3 determinations.

4 CHIEF JUSTICE ROBERTS: Yes, this MOA
5 decides what's a special case and what's not, and it
6 tells you what happens when it's not. So I just don't
7 see how you can say that talks only about special cases.

8 MR. STEWART: I think even if the memorandum
9 is read -- read that way -- if the memorandum is read
10 that way, I don't think it reflects current government
11 policy. It doesn't reflect the current understanding of
12 the Corps and EPA. And I don't want to --

13 JUSTICE SOTOMAYOR: Well, that's fine. Give
14 me an example of a case where the government has gone
15 after someone, absent changed circumstances, who's had a
16 negative JD in hand, any situation past, pre-memorandum,
17 post memorandum --

18 MR. STEWART: I don't think --

19 JUSTICE SOTOMAYOR: -- where -- where you've
20 actually taken the Army Corps' determination and said,
21 we're going to go after this person anyway.

22 MR. STEWART: I don't know that it's ever
23 happened, and I certainly don't want to suggest --

24 JUSTICE SOTOMAYOR: The fact that you're
25 reserving your power is enough, even though by this memo

1 and practice you've never done it? You think that
2 that's not within Bennett's second prong.

3 MR. STEWART: It's not within Bennett's
4 second prong in the same way that in Franklin v.
5 Massachusetts that -- the practice of the President had
6 always been to transmit the figures and do the
7 apportionment in accordance with the figures that were
8 prepared by the Secretary of Commerce. But the Court
9 said what mattered was there -- there was no legal --
10 legally binding obligation on the President to do that.

11 I would also say that independent of the
12 possibility of an EPA enforcement action, there is a
13 more realistic possibility of a private citizen suit.
14 The fact that the Corps concludes that jurisdictional
15 waters are not present wouldn't preclude a citizen suit
16 from being filed challenging that premise of the
17 discharge activity --

18 CHIEF JUSTICE ROBERTS: Well, the question
19 is, I think, whether it's final with respect to the
20 Corps' determination, not with respect to whether
21 somebody else might be able to bring a suit, and -- and
22 I think what Justice Sotomayor is suggesting is that in
23 practice and, what I was suggesting, in law is it's
24 final with respect to the Corps.

25 MR. STEWART: And that would be the first

1 prong of Bennett. That is, even with respect to the
2 Corps, it is still subject to reexamination if somebody
3 presents new information, if the -- if in the course of
4 a permitting process the applicant asks the Court to
5 reconsider its prior jurisdictional determination, the
6 Corps is not going to reconsider it sua sponte during
7 the five-year period while it remains in effect.

8 CHIEF JUSTICE ROBERTS: Well, it seems to me
9 what you are arguing, then, is that there are exceptions
10 to what is otherwise a safe harbor.

11 MR. STEWART: It's -- it's not intended to
12 be -- first of all, the jurisdictional determination
13 that we're talking about here, the one that's actually
14 being challenged, was one that concluded that
15 jurisdictional waters were present. And it's clear that
16 that sort of jurisdictional determination has no binding
17 effect on anyone. The landowner is still legally free
18 to disagree and to discharge --

19 CHIEF JUSTICE ROBERTS: Well, a great -- a
20 great practical risk. I mean, the -- the Corps comes in
21 and says these are jurisdictional waters. And you say,
22 yeah, well, you can go ahead. You can still dump and do
23 everything you want and take your chances that there
24 will be a different ruling later on down the road.

25 MR. STEWART: And -- and the other -- I

1 agree that it -- it is a legally available alternative,
2 but I agree a practically difficult one.

3 The other alternative that the -- the
4 Property owner has is to seek a permit to discharge fill
5 lawfully. And the permitting process, that really is
6 the mechanism that Congress designed to allow people to
7 get an advanced ruling on the legality of their
8 discharges without subjective --

9 JUSTICE GINSBURG: Well -- well, it's very
10 arduous and very expensive. So for a landowner who
11 thinks, I shouldn't be under this Clean Water Act at
12 all, and now they have to go through this whole process,
13 it's going to take years and cost me a lot of money.

14 MR. STEWART: And -- and I think the
15 legal -- our legal system confronts that type of problem
16 and that type of tradeoff in a lot of different
17 contexts. For example, that was exactly the argument
18 that Standard Oil made in FTC v. Standard Oil.

19 The FTC has commenced an administrative
20 proceeding in which Standard Oil was charged with
21 violating the law. And there was -- I believe the
22 phrase was reason to -- to believe. There -- there was
23 a statutory threshold that the FTC had to surmount
24 before administrative proceedings could be initiated.

25 And Standard Oil's complaint was I should be

1 able to challenge the initiation of the proceedings
2 because it will put me through great expense to defend
3 against them, it will impugn my reputation --

4 JUSTICE BREYER: Sometimes it doesn't. But
5 I joined Bennett, and the reason I joined it is it says
6 in the second prong, "Or from which legal consequences
7 flow." So I would assume that nothing in Bennett -- or
8 I would have dissented -- is intended to overrule what I
9 think is the great case on the matter, which is Abbott
10 Labs.

11 And Harlan, in Abbott Labs, explains
12 completely and thoroughly what this Court has done in
13 Frozen Food Express, what the Court did in Storer. And
14 on the point you're now making, what he says
15 specifically is the ICC order is right for review, even
16 though it would have no effect until later. Someone
17 decided to bring a particular action.

18 He says that in Storer, the Commission,
19 policy determination is ripe, even though it would not
20 issue a television license -- that's what the policy
21 said -- even though no specific application was before
22 the court. So it wouldn't take effect until later.

23 And the same thing is true precisely of the
24 order in Abbott Labs itself. It was a statement of
25 interpreting what the Commission would do, and nothing

1 was going to happen. Nothing happened, unless later on
2 somebody decided to violate it. Much like this. And
3 even if they violated it, nothing would happen, unless
4 the Commission decided to prosecute.

5 So what Justice Ginsburg said was, once this
6 is in effect, okay, now what happens? The person who is
7 subject to it has to take certain steps because of the
8 law. One, spend \$150,000 to try to get an exception and
9 fail, or two, do nothing, violate it, and possibly go to
10 prison. Those sound like important legal consequences
11 that flow from an order that, in respect to the Agency,
12 is final, for it has nothing left to do about that
13 interpretation.

14 And B, is perfectly suited for review in the
15 courts.

16 So we have harm flowing from a change in
17 legal relations, we have an agency that has nothing left
18 to do on this particular matter, and we have a court
19 that is perfectly suited to review it. I would say it
20 flows from Abbott Labs, almost QED. So what is your --
21 what is your response to that?

22 MR. STEWART: Well, with respect to Abbott
23 Labs specifically -- excuse me -- Abbott Labs dealt with
24 a regulation that essentially required that on each
25 instance where the -- the trade name of the drug

1 appeared, including it on the labeling, the generic name
2 of the drug had to appear as well.

3 And the regulation, as rules typically do,
4 was phrased as a -- as a directive. It said
5 manufacturers shall do this. It was a legal -- legal
6 command.

7 In Standard Oil, the court dealt with --
8 said in various contexts, we have held that regulations
9 are immediately reviewable as final agency action,
10 although the court engages in a separate ripeness
11 discussion.

12 The second thing I would say about Bennett
13 is the Bennett court, I think, was quite careful not to
14 rest its decision on the practical impact that the order
15 would have on the recipient. It rested its decision on
16 the fact that the biological opinion constrained the
17 legal obligation options available to the Bureau of
18 Reclamation, because only by complying with the FWS's
19 terms and conditions could the Bureau of Reclamation get
20 the immunity from Endangered Species Act liability that
21 it wanted.

22 The third thing I would say, and to return
23 to my prior point about FTC v. Standard Oil, it happens
24 a lot in the law that we are confronted with a situation
25 like this, where a particular government decision is

1 made. Be it an agency order, a district court order
2 that denies a motion to dismiss for lack of subject
3 matter jurisdiction or for failure to State a claim on
4 the merits, and the losing party, the person who
5 disagrees with the order, says I should be able to get
6 immediate review of this because if I don't get
7 immediate review, then even if I'm vindicated at the end
8 of the day, I will be put to substantial burden and
9 expense in the meantime.

10 JUSTICE SOTOMAYOR: Mr. Stewart, may I ask
11 you, please don't panic by asking this question. And
12 please don't resist it, because I know all your
13 arguments resisting it. But assuming we disagree with
14 you that that should be appealable, what's the narrowest
15 way to right this that the government would like?

16 MR. STEWART: I guess if the -- if the Court
17 ruled against us on the ground that it understood the
18 EPA and the Corps to have entered into a binding
19 agreement, such that the EPA would be foreclosed from
20 taking action based on its disagreement with the Corps'
21 jurisdictional determination, I -- I think if that were
22 the gravamen of the opinion, it would be one that if the
23 agencies wanted to fix it, they easily could, simply by
24 issuing a new MOA clarifying their view of the -- the
25 JD's effect.

1 JUSTICE KAGAN: Well, on the same lines,
2 could I ask more generally? I mean, one of the reasons
3 I find this case very difficult is because all over the
4 Federal government there are compliance offices of
5 various kinds whose function is to give advice to
6 people. And often that advice comes with very specific
7 recommendations. It says we will not take enforcement
8 action if, or, we do not consider it a violation of law
9 on the following facts.

10 And I guess what I want to know is your view
11 of how this program compares to various other kinds of
12 programs like this, whether it's the -- whether it's tax
13 opinion letters, or SEC opinion letters, or FCC or
14 whatever, how this program compares to those and where
15 you could draw sensible lines, because mostly we want
16 government agencies to do these things. We think that
17 this helps people, to actually know what the government
18 thinks about particular factual situations. So how do
19 we draw lines in this area, in your view?

20 MR. STEWART: Well, I mean, it -- I guess
21 part of the -- the difficulty I have with your question
22 is -- or I should say I think if you were drawing lines,
23 the jurisdictional determination at issue here would be
24 fairly far removed from anything that ought to be
25 judicially reviewable, because in many of the instances,

1 the informal advice that agencies are giving, it is
2 specifically advice about the legality -- the perceived
3 legality or illegality of specific contemplated private
4 conduct.

5 Somebody may come to the Agency and say I'm
6 thinking about doing X, would that be legal or illegal?
7 And the Agency might say we think that that would be one
8 or the other. We -- the likelihood that an agency would
9 say to somebody that's legal and subsequently pursue an
10 enforcement action is --

11 JUSTICE KENNEDY: Well, I think -- I think
12 underlying Justice Kagan's question is that the Clean
13 Water Act is unique in both being quite vague in its
14 reach, arguably unconstitutionally vague, and certainly
15 harsh in the civil and criminal sanctions it puts into
16 practice.

17 What's the closest analogous statute that
18 gives the affected party so little guidance at the front
19 end?

20 MR. STEWART: Well, I think with respect to
21 the vast majority of sites in this country, it's readily
22 apparent whether the Clean Water Act applies; that is --
23 and this point is somewhat removed from the actual facts
24 of this case, but it happens all the time that at
25 construction sites around the country, industrial

1 parties will dig up a lot of dirt and deposit it
2 somewhere else. And they're doing something that would
3 be illegal if it occurred in waters of the
4 United States, but nobody thinks there's a problem,
5 because in the vast bulk of its -- in the vast bulk of
6 locations, there really isn't a quandary.

7 And if you imagine a statute that said
8 before you can do anything like that, you have to come
9 to the Corps and get advance assurance that these are
10 not waters of the United States, it would be
11 exponentially more burdensome.

12 I take your point that there are certainly a
13 significant range of tracks where the application of the
14 Act is authentically ambiguous. But the -- the thing I
15 would say about that is Congress has designed the
16 permitting process. There are other statutes in which
17 regulated parties have no statutory mechanism for
18 getting an advance ruling as to the legality of their
19 conduct. They have to either do it and take their
20 chances, or forego it, or perhaps seek informal advice
21 from the Agency.

22 JUSTICE ALITO: Well, let's -- let's say in
23 a case where there hasn't been a stand-alone
24 jurisdictional determination and the landowner applies
25 for a permit. The first part of the permitting process,

1 as -- as I understand it, would be a jurisdictional
2 determination; is that right?

3 MR. STEWART: That's correct.

4 JUSTICE ALITO: Okay. And at the end of
5 that, can the landowner get judicial review if the
6 determination is that it -- it is subject to the Clean
7 Water Act; or does the landowner have to go forward, in
8 your view, with the entire -- all the rest of the
9 permitting process before there is a possibility of an
10 administrative appeal and judicial review?

11 MR. STEWART: I think it would still have to
12 go through the rest of the permitting process. And --
13 and part of the point for that is it -- it may be that
14 during the rest of the permitting process, the landowner
15 will have no prospect, except, perhaps, of an
16 administrative appeal, of persuading the court to
17 reexamine its jurisdictional determination. That
18 becomes --

19 JUSTICE KENNEDY: Why isn't the permitting
20 process a legal consequence under the -- the second --
21 the second prong of Bennett?

22 MR. STEWART: It's not a legal consequence
23 because the -- the landowner always has the legal option
24 of discharging without a permit if it feels that --

25 JUSTICE BREYER: Then he goes to jail. I

1 mean, you put in your brief he risks it. In your
2 brief -- and I think the point raised, of course, you --
3 it's a good idea to give people advice. Abbott Labs
4 takes care of that. One of the three important features
5 of Abbott Labs is you look at it from the point of view
6 of the Agency. And you say, how formal is it? What was
7 there left to be done?

8 And in this case, we have a whole set, a
9 whole part of the CFR which is devoted this, which goes
10 to varied -- it's called "Jurisdictional Determination
11 from Instructional Guidebook." The Army Corps of
12 Engineers is brought in. Once they make a
13 determination, it's called the Agency's official view.
14 It's stated it remains in effect for five years, unless
15 conditions change.

16 And you, in your brief, say that the
17 issuance of an approved jurisdictional determination
18 marks the culmination of the distinct process by which
19 the Corps informs a landowner whether the Corps believes
20 that covered waters are present.

21 So that doesn't sound like someone giving
22 informal advice, and there's an appeal process. It
23 sounds like a formal system of answering a question,
24 which question is: Are these lands wetlands, Federal or
25 not?

1 Now, if you give some kind of informal
2 advice, fine. You'd come to a different result. But
3 I've just listed the things here that suggest it isn't
4 at all formal. It's a five -- informal. It's a
5 five-year formal, definite procedurally guided CFR
6 determination.

7 MR. STEWART: I would agree that the process
8 that culminates in the approved jurisdictional
9 determination is much more formal and -- and elaborate
10 than the process that would usually culminate in the
11 kind of advice letters that Justice Kagan is talking
12 about.

13 JUSTICE BREYER: All right. Well, if that's
14 so, we have the other part of the problem.

15 MR. STEWART: But I -- I don't think the
16 formality of the process really has much to do with the
17 basis on -- the practical basis on which Respondent
18 wants to get into court; that is, if this had been a
19 much less formal document, but it had still manifested
20 the Corps' view that jurisdictional waters were present,
21 I think Respondents would say they would be under
22 exactly the same practical pressure either to go --

23 JUSTICE BREYER: It isn't just the pressure.

24 JUSTICE KAGAN: Indeed, that --

25 JUSTICE BREYER: It's both. And the concern

1 on the other side, beyond the EPA, is this is a vast
2 Federal government. And this vast Federal government
3 can operate -- can issue many, many formal
4 determinations on aspects of the statute. And if people
5 are -- people are required to follow those, without
6 court review, on penalty of going to jail if they don't
7 just follow it, or are paying hundreds of thousands of
8 dollars, what happens to judicial review? That, I
9 think, is also a public policy question.

10 MR. STEWART: I agree that it's a public
11 policy question, but as I was saying about Standard Oil
12 and the -- and the same principle applies to our -- our
13 legal system's general resistance to interlocutory
14 appeals within the judicial system; that is, it happens
15 all the time that a motion to dismiss is denied. The
16 party who thinks that the complaint ought to be
17 dismissed could say to an appellate court, I will have
18 to pay hundreds of thousands of dollars litigating this
19 case to its conclusion before I can achieve
20 potentially --

21 JUSTICE GINSBURG: At least there's an
22 opportunity to certify the question to say it's
23 interlocutory, but there's a good reason why it should
24 go up immediately. So there's nothing like 1292(b)
25 here.

1 MR. STEWART: There is nothing like 12 -- I
2 mean, there is the permitting process. There is an
3 alternative mechanism to get into court, and during
4 the --

5 JUSTICE GINSBURG: The jurisdictional
6 determination, you -- you -- well, first, can you
7 explain to me why the -- under the Clean Water Act, it's
8 done this way -- it's not, you can request advice, and
9 we'll give you advice. That's what we think now, but
10 it's not binding. It's a deliberate attempt to make
11 this determination formal and binding on the Agency.
12 This is our position. It's a final adjudication of our
13 position on the jurisdictional question.

14 MR. STEWART: I think it is formal, and the
15 Corps doesn't revisit it because it -- sua sponte
16 because it would usually seem like a waste of time,
17 unless somebody had presented the Corps a reason --

18 JUSTICE GINSBURG: Why was it done this way,
19 to make it this formal adjudication, rather than we'll
20 give you advice?

21 MR. STEWART: I don't know why the -- the
22 formality including the administrative appeal was
23 provided. I think it was intended as a service to -- to
24 landowners, that the Corps wanted to give the best
25 advice. The only other thing I would say about --

1 JUSTICE GINSBURG: Was there -- was there
2 anything in it for the EPA or the Corps? I mean, I
3 understand we -- we want to inform the public of the
4 Agency's position. But is it all altruism, or is
5 there -- was there a reason that -- that the EPA or the
6 Corps wanted it done this way?

7 MR. STEWART: It certainly has benefits to
8 the enforcement agency in the sense that if landowners
9 receive what the Corps believes to be accurate
10 information about their property, the likelihood of
11 their complying will be greater.

12 As Justice Kennedy, I believe, was pointing
13 out, the preparation of a jurisdictional determination
14 would be the first step in the -- the permitting process
15 if -- if one was --

16 JUSTICE SOTOMAYOR: Mr. Stewart, in regular
17 litigation, there is an inducement, potentially, for one
18 or other party to appeal to delay the resolution of the
19 case.

20 In this situation, I don't see that
21 inducement as existing, meaning I doubt very much that
22 landowners are -- who wanted to use their property for a
23 particular purpose are going to appeal just for the --
24 just to delay the government's adjudication of an issue
25 that's going to either permit them or not permit them to

1 go forward.

2 MR. STEWART: I would agree there is less
3 danger of manipulative appeals. There is still a real
4 danger of duplicative appeals, because you could have an
5 appeal on the jurisdictional question. The court says
6 the court's jurisdictional determination was not
7 arbitrary and capricious. Now you go through the
8 permitting process. And there's a separate suit about
9 whether the terms and conditions were too --

10 JUSTICE SOTOMAYOR: Well, I --

11 MR. STEWART: If I may, I'd like to reserve
12 the balance of my time.

13 JUSTICE SOTOMAYOR: Yes. Go ahead.

14 CHIEF JUSTICE ROBERTS: Thank you, counsel.
15 Mr. Hopper.

16 ORAL ARGUMENT OF M. REED HOPPER

17 ON BEHALF OF THE RESPONDENTS

18 MR. HOPPER: Thank you, Mr. Chief Justice,
19 and may it please the Court:

20 We read the MOA to be binding in every way.
21 We have found not a single word --

22 JUSTICE SOTOMAYOR: That doesn't help you
23 for very long, because he just said they'll change it.
24 So is that the argument that you want to rely on?

25 MR. HOPPER: I'm sorry?

1 JUSTICE SOTOMAYOR: He just said before that
2 if we rule that way, they could change it. They'll just
3 eliminate the MOA.

4 MR. HOPPER: Well, it's -- it's existing
5 today. And in addition to the MOA, the fact that this
6 is a site-specific adjudication suggests that this isn't
7 binding -- that this is a binding determination. In
8 fact, that's the very purpose of an adjudication. Also,
9 as has already been mentioned, it represents itself
10 as -- as being the official view of the Agency, the
11 final agency action of the Agency, and will be relied on
12 for five years. Even during the permitting process,
13 that will not be revisited. All of those things suggest
14 that this is a binding adjudication and --

15 JUSTICE KAGAN: Mr. Hopper, can I ask, you
16 know, I was just looking through some other agency's
17 rules and practices. And I'll just give you a couple of
18 examples.

19 The FCC put out rules just this past year,
20 and it says -- with respect to some particular matters,
21 the FCC rules say, the bureau will not bring an
22 enforcement action against a requesting party, a
23 requesting party meaning somebody who requested an
24 opinion, with respect to any action taken in good faith
25 reliance upon an advisory opinion if all of the relevant

1 facts were fully, completely, and accurately presented
2 to the bureau.

3 Now, there's another that I just came
4 across. It's in just a standard SEC, Securities and
5 Exchange Commission, opinion letter. And it says, based
6 on the facts presented, the division will not recommend
7 enforcement action to the Commission.

8 So I guess my question is, this appears to
9 happen all over the place around the Federal government,
10 people setting up offices whose specific purpose is to
11 say come to us, tell us our problem, and we are going to
12 give you a view, and not just a view; we're going to
13 essentially commit that if you have told us the truth,
14 here is your answer, and you can take it to the bank.

15 And I guess I want to know what's different
16 about this than any of the other cases in which the
17 Federal government does that. For good reason. Because
18 people want to know these things.

19 MR. HOPPER: What you're describing, Your
20 Honor, is what is -- what we -- would be referred to in
21 this case as a preliminary jurisdictional determination.
22 The regulatory process has built into it the option of
23 an advisory, informational, preliminary jurisdictional
24 determination to be issued to the applicant that is
25 nothing more than advisory. It's not binding and can't

1 be appealed.

2 JUSTICE KAGAN: Well, these are -- this is
3 very strong language that are in these letters. We will
4 not recommend action. We -- we will not bring an
5 enforcement action.

6 So, you know, just as you say, this
7 basically says to us we were in the clear if we passed
8 this. So do these letters.

9 MR. HOPPER: That is strong language, Your
10 Honor, but not as strong as an adjudicative
11 determination, where rights and obligations are actually
12 decided.

13 In -- in this particular case, the process
14 is so formalized, and -- and purports to be final, and
15 purports to be binding, that it -- that's -- that it's
16 quite distinguishable from the situation that you are
17 describing.

18 JUSTICE KAGAN: Let me ask you about that,
19 because that's certainly -- this -- this process does
20 last a long time, and it's -- even Mr. Stewart, I think,
21 would say this is a more formal process than many that
22 are -- that exist around the Federal government.

23 But I guess I'm wondering about the
24 incentives of the kind of distinction that you would
25 make. Because it would suggest, you know, that agencies

1 should not -- should draw back, should not give a fully
2 informed view, should not do the fact-finding that the
3 board -- that that -- the Corps does here. You know,
4 should -- should just make their processes less formal,
5 but in -- in making their processes less formal, also
6 less accurate and less helpful.

7 And I guess I wonder who that benefits in
8 the end.

9 MR. HOPPER: Well, I think that the Agency
10 has more to lose than the landowner has to gain by
11 refraining from issuing these kind of formal
12 adjudications. They indicate that they issue about
13 54,000 permits. And most of -- and they -- 54,000
14 nationwide permits and about 3,100 individual permits,
15 and of those, only eight have ever been appealed
16 administratively.

17 So there's really no incentive for the --
18 for the government here to draw back on this formal
19 adjudicative process, because in almost all cases, the
20 landowner is simply going to defer to the Agency on
21 jurisdiction. And that -- that would be my response to
22 you.

23 JUSTICE KAGAN: Well, I guess I don't quite
24 understand that, because it seems as though they could
25 make it less formal, and they could provide less

1 assurance, and -- and still, there would be very few
2 people who would want to run the gauntlet.

3 And so you wouldn't gain anything. All you
4 would do was to lose something, and what you lose is
5 accurate, reliable information provided to people about
6 whether, in fact, these waters are -- fall within the
7 Clean Water Act.

8 MR. HOPPER: Well -- well, that's the
9 problem, because until there has been -- because the --
10 the Clean Water Act is so difficult to -- because under
11 the Clean Water Act, it is so difficult to determine,
12 the reach of the Act, and it can only be done through
13 expert analysis, you would never get the kind of
14 detailed, reliable information that would define the
15 scope of jurisdiction if you didn't have such a formal
16 process, which would never occur in the type of
17 generalized ruling that you've suggested, like through
18 the preliminary JD.

19 The preliminary JD says we think you may
20 have waters of the United States on your property. The
21 approved jurisdictional JD says just the opposite:
22 We've made a definitive determination; you can rely on
23 that; you're obligated to get a permit, and you have a
24 right to use property that is not subject to the waters
25 of the United States.

1 JUSTICE KENNEDY: Tell us -- just -- it's in
2 the briefs, but what -- what's the cost to get a -- a JD
3 determination in a case such as yours?

4 Second, can the Agency, if we adopt the sort
5 of rule that you want, simply decline to give
6 jurisdictional determinations?

7 MR. HOPPER: All that's required in order to
8 receive a jurisdictional determination under the
9 regulatory guideline is to ask. And under the -- the
10 regulatory guideline, the Agency is required to respond.
11 The language says the Corps will give a formal approved
12 jurisdictional determination if one is requested, even
13 if they don't request it in that specific language.

14 JUSTICE GINSBURG: The --

15 JUSTICE KAGAN: Did Mr. --

16 JUSTICE GINSBURG: The point was made
17 earlier that in -- that in court proceedings you have a
18 jurisdictional question; you may think that the court
19 was very wrong, but apart from 1292(b), you -- you are
20 stuck there. You may have to go through a lengthy
21 trial, and that's just too bad. It is a complete
22 adjudication of the jurisdictional question. The
23 Court's not going to return to it.

24 Even so, you don't get any kind of appellate
25 review until there's a final judgment in the whole case.

1 Why should this be any different?

2 MR. HOPPER: I'm not sure that I follow your
3 question, Your Honor. Would you please repeat that?

4 JUSTICE GINSBURG: Well, you -- you are
5 urging that you should have -- you should be able to
6 challenge in court this jurisdictional determination,
7 right?

8 MR. HOPPER: Immediate judicial review.

9 JUSTICE GINSBURG: And -- and if you were in
10 a district court, you would have no immediate right to
11 challenge a jurisdictional determination.

12 So why should this -- this situation be
13 different in an agency setting and in a court setting?

14 MR. HOPPER: That's -- that's the whole
15 question at issue, Your Honor, is whether we can get
16 district court or -- or judicial review.

17 JUSTICE GINSBURG: But if you were in the
18 district court and the district court made a
19 jurisdictional determination, you are in our power, and
20 you disagree, and you think the case should be -- you
21 should be allowed to be free to do what you will, and --
22 but you've lost on the jurisdictional issue, you have to
23 stay there. The -- the equivalent would be going
24 through the permitting process.

25 MR. HOPPER: We don't know why we would not

1 be able to appeal that, Your Honor. That would be a
2 purely legal question on summary judgment. We could
3 appeal it as --

4 JUSTICE GINSBURG: A summary judgment, you'd
5 have to take a judgment on the whole case. You can't
6 appeal an adverse ruling on jurisdiction. You want to
7 get out of the case?

8 MR. HOPPER: We don't believe that -- we
9 don't believe that we need to go through the -- the
10 permit process --

11 JUSTICE BREYER: The question is why.

12 JUSTICE ALITO: The difference between --

13 JUSTICE BREYER: Why. I think -- I think,
14 if I understand the question, you go into district court
15 and you say we're from Alaska, and here we are in
16 Florida and we don't belong here, there's no
17 jurisdiction. And the court says you're wrong. Now,
18 that means you have to stay there. You have to go
19 through the whole proceeding. It's going to cost you
20 one million dollars. It's going to take a long time,
21 but you don't get independent review of the
22 jurisdictional question.

23 So I think the question is, if I may say
24 it --

25 JUSTICE GINSBURG: Please.

1 JUSTICE BREYER: -- is -- is why doesn't
2 that apply here, too? Because this is just like one
3 part of the whole thing.

4 MR. HOPPER: It --

5 JUSTICE BREYER: Nothing --

6 MR. HOPPER: In what --

7 JUSTICE BREYER: -- is like the
8 jurisdictional question.

9 MR. HOPPER: In what sense is it one part of
10 the whole thing?

11 JUSTICE BREYER: Well, this says that
12 nothing's going to happen to you until they decide that
13 they're not going to give you a permit, which is part of
14 it.

15 MR. HOPPER: Under -- under Abbott Labs --

16 JUSTICE BREYER: Yeah. I mean, I've made
17 mine, but I'm going to the question.

18 MR. HOPPER: Yes. And -- and under -- I
19 understand.

20 Under Abbott Labs this Court made the --
21 made the determination that if one is in this catch-22
22 situation, this no-win situation where even no action
23 results in great loss because you have -- your -- your
24 option is to only abandon the project at great loss, or
25 go for a permit at great cost, or subject yourself to an

1 enforcement action at great cost, that that -- that type
2 of Hobson's choice is sufficient to get you judicial
3 review.

4 JUSTICE ALITO: Do you see any distinction
5 between a jurisdictional determination by an Article III
6 district judge and a jurisdictional determination by an
7 enforcement Agency?

8 Do you think there might be an argument that
9 it is tolerable to wait until the end of the case when a
10 neutral Article III judge makes an adverse judicial --
11 an adverse jurisdictional determination, but perhaps
12 less appealing to wait till the end of the adjudication
13 when the jurisdictional determination is made by an
14 enforcement Agency?

15 MR. HOPPER: Well, there -- when an
16 adjudication has already been made, there's no further
17 adjudication to be made unless you're talking about
18 requiring a permit prior to judicial review, and that's
19 what we find objectionable, Your Honor.

20 JUSTICE KAGAN: Mr. Hopper --

21 MR. HOPPER: It's not an adequate remedy in
22 court.

23 JUSTICE KAGAN: A more general way to ask
24 this question. I mean, there's no doubt that some
25 people face themselves in -- in real predicaments when

1 they're looking at the -- when they're trying to figure
2 out what to do under the Clean Water Act. But of
3 course, you know, that's true with respect to many
4 regulatory statutes.

5 And I think what Mr. Stewart's point was,
6 was that the predicament is the same regardless of the
7 JD process. If the JD process didn't exist, your client
8 would be facing the exact same predicament. And indeed,
9 the JD's -- the JD process's reason for being is that
10 it's supposed to help people in dealing with this
11 predicament because it's supposed to provide them with
12 information that they otherwise wouldn't have.

13 MR. HOPPER: Exactly.

14 JUSTICE KAGAN: Well, that seems to be a
15 good reason for Mr. Stewart to prevail in this case.
16 But the predicament is the predicament, and it's a
17 predicament that comes from the Clean Water Act. The JD
18 process is -- the only thing it's supposed to do is to
19 give you more information so that you can make the
20 choices that the statute puts to you.

21 MR. HOPPER: It does more than that. Under
22 -- under Bennett, Your Honor, the second prong of
23 finality is satisfied if any of three requirements are
24 met.

25 Number one, a right is -- is determined, or

1 an obligation is determined, or legal consequences flow.
2 By virtue of the adjudicative determination in this
3 case, an obligation has been established that the --
4 that Hawkes cannot use 150 acres of their property
5 without being obliged to get a permit.

6 They also --

7 JUSTICE KAGAN: Well, that's the question,
8 is whether there's any obligation or whether there's --
9 it's simply information about what will happen given
10 different courses of action.

11 MR. HOPPER: The Clean Water Act itself
12 doesn't say anything about this particular property.
13 And the -- the Clean Water Act doesn't cover all waters.
14 And the only way to find out if there are jurisdictional
15 waters which will trigger the requirement for a permit
16 is to go through this laborious site-specific
17 analysis --

18 JUSTICE KAGAN: That seems right. But it's
19 also why people go to the Treasury Department for tax
20 letters, and it's also why people go to the SEC for
21 advice about what they can and cannot do with respect to
22 securities. And it's also -- I mean --

23 MR. HOPPER: Not --

24 JUSTICE KAGAN: -- at least a hundred
25 different examples.

1 MR. HOPPER: I'm not aware of them, all --
2 those examples having an appeals process that results in
3 a final Agency action, that by treatment and regulation
4 and practice constitute a binding conclusion.

5 JUSTICE ALITO: Well, the premise of the
6 question is that the Army Corps of Engineers is doing
7 this just out of the goodness of its heart; that this is
8 a lot of work for them but they just want to be nice to
9 landowners and that's why they've set up this -- this
10 process.

11 And maybe that's correct, although I
12 understood what you were saying earlier to suggest that
13 that's not quite how you see the process; that they do
14 this for their own purposes because they -- it expands
15 their enforcement power, because landowners who have a
16 question about the status of their land have strong
17 incentive to ask for a jurisdictional determination.

18 And if -- so that alerts the Corps to the
19 fact that this is a property that might be subject to
20 their jurisdiction. And if they issue a negative -- I'm
21 sorry -- an affirmative jurisdictional determination as
22 a practical matter, that's going to mean in most
23 instances that the project is shut down. Is that --

24 MR. HOPPER: Well, if --

25 JUSTICE ALITO: Is that your argument?

1 MR. HOPPER: Yes. And even further than
2 that, this is really a -- a problem of the Agency's own
3 making. When Congress passed the Clean Water Act, it --
4 it prohibited discharges to navigable waters. And as
5 this Court addressed in *Rapanos*, that -- that's so
6 broadly interpreted now that it covers virtually any wet
7 spot in the country.

8 JUSTICE BREYER: It isn't just -- that
9 isn't -- the issue, I think, is this -- what I thought
10 your answer would be is that informal advice is not
11 final Agency action normally.

12 There is a statute. It was passed in 1946.
13 It's called the Administrative Procedures Act. It tries
14 to divide such things with that word, "final," as
15 rulemaking by the Agency, from accomplishing roughly the
16 same result by never having a rule but just telling
17 everybody informally what the Agency will do in such
18 circumstances. It might be that the formal is, other
19 things being equal, final Agency action in respect to
20 that matter. It might be that the latter is not.

21 So I think what you're telling me is what I
22 should do next is go read those Federal rules and
23 regulations and see, is this more like informal advice,
24 or is it more like formal rulemaking? And you have the
25 latter, and they have the former, I guess. I don't

1 know. And I go and make up my mind. I guess that's my
2 job in this instance.

3 MR. HOPPER: Well, to help you make up your
4 mind, we would refer you to Frozen Food, which you've
5 already --

6 JUSTICE BREYER: Yeah, yeah. I mean, if
7 Frozen Food, Storer and Abbott Labs, and Bennett too,
8 are examples of what falls on the formal final side of
9 the line.

10 MR. HOPPER: Right.

11 JUSTICE BREYER: A few other things will be
12 on the other side of the line.

13 MR. HOPPER: And in fact, if Frozen Food is
14 virtually indistinguishable from this case, Frozen Food
15 was essentially a jurisdictional determination case.

16 JUSTICE KAGAN: Well, Mr. Hopper, can I ask,
17 do you think that this would count as a formal
18 adjudication under the APA?

19 MR. HOPPER: Yes.

20 JUSTICE KAGAN: A formal adjudication under
21 the APA.

22 MR. HOPPER: Yes. There was a -- the Agency
23 applied the law to a specific set of facts, had a formal
24 hearing, and --

25 JUSTICE KAGAN: Would it be --

1 MR. HOPPER: -- issued a final --

2 JUSTICE BREYER: It's not --

3 JUSTICE KAGAN: Would it then receive
4 Chevron deference?

5 MR. HOPPER: Oh, I'm sorry. Well, not --
6 not in that sense, no.

7 JUSTICE KAGAN: Yeah. Not in -- not in that
8 sense, no. I wouldn't think so in that sense. I
9 wouldn't think it's formal adjudication, and I wouldn't
10 think it would receive Chevron deference.

11 And you know, there's a very fine opinion by
12 Judge Sutton on this question, and he basically says the
13 kinds of things that are not final, the kinds of
14 advisory-type rulings that are not final are the ones
15 where there's no Chevron difference given; that that's
16 the proper line to draw. Those -- that's when you know
17 that there's a kind of formality to it that should count
18 with respect to the -- to the question of finalness.

19 MR. HOPPER: Well, the -- we -- we have met
20 in every way the -- the finality standards of the
21 Bennett second prong. We have identified right that has
22 been determined, an obligation which has been
23 determined. We've talked about legal consequences
24 flowing. All of those -- any one of those satisfies the
25 finality standard, and therefore, under the APA they

1 give us review.

2 JUSTICE KENNEDY: What -- what's the best
3 example of a legal effect that follows from a
4 jurisdictional determination as opposed to a practical
5 effect? It seems to me that the practical effects are
6 quite -- what's the legal impact?

7 MR. HOPPER: Increased risk of enforcement,
8 because the very existence of the JD constitutes prima
9 facie evidence of a violation if one were to discharge
10 without a permit.

11 JUSTICE KENNEDY: That sounds to me
12 practical, not legal.

13 MR. HOPPER: I -- I think that is legal,
14 Your Honor. Also --

15 CHIEF JUSTICE ROBERTS: You --

16 MR. HOPPER: Also, I would suggest, as this
17 Court recognized in -- in Sackett that this
18 jurisdictional determination increases the risk of civil
19 and criminal liability.

20 CHIEF JUSTICE ROBERTS: Does it affect the
21 determination of willfulness on the part of the
22 landowner?

23 MR. HOPPER: It does, in two -- in two
24 respects, Your Honor. When the -- when the court is
25 looking at an Agency at civil penalties, the Clean Water

1 Act requires that the court look at the good faith
2 efforts, and -- and by extension, the bad faith efforts.
3 And now that we have a -- a formal determination that
4 these are waters of the United States, there's a knowing
5 violation, which brings in potential criminal sanctions
6 against the -- the landowner. So --

7 JUSTICE KAGAN: Mr. Hopper -- I'm sorry.
8 Please.

9 MR. HOPPER: Yes.

10 JUSTICE KAGAN: Isn't that true in every
11 case of an opinion letter, whether it's from the
12 government or for -- actually, from a -- a private
13 party, that, you know, there's always cases in which
14 people say you had an opinion letter; it said X; you did
15 Y. Or, conversely, I had an opinion letter; it said X,
16 I did X. I mean, that happens all over the place in
17 litigation with respect to every single compliance --
18 piece of compliance advice that the government gives.

19 MR. HOPPER: Yes, with the -- with the one
20 exception that -- that the weight that the -- that the
21 court is going to give to those types of opinions and
22 suggestions is much different than what the court will
23 give to a final determination as to jurisdiction after
24 having gone through a formal appeals process. So the
25 weight is quite different.

1 And let me also make a comparison between
2 this and -- and Sackett, when this Court considered
3 whether double penalties would apply in that case.

4 You might recall that during oral argument,
5 Mr. Stewart said that with respect to double penalties,
6 that is, there -- there will be \$37,500 a day assessed
7 because of -- of violation of the statute, and then
8 \$37,500 a day because of a violation of the compliance
9 order. He said that -- that that reading of the law was
10 entirely theoretical, and didn't even know if it
11 would -- would even fly.

12 Here, we -- we don't have a -- a theoretical
13 risk. We have an actual risk. The -- the Clean Water
14 Act says a knowing violation shall result in a -- in a
15 civil fine of no less -- or a criminal fine of no less
16 than \$5,000 and no more than \$50,000 a day, and will
17 increase the -- the prison time from one to three years.

18 So even though you're right, a simple letter
19 may put one on notice, it certainly doesn't have the
20 same weight as a final binding determination.

21 The main problems we have with the
22 requirement of going through a permit process before one
23 can seek judicial review under the APA are fourfold.

24 First of all, the permit process adds
25 nothing to the jurisdictional question. It doesn't add

1 any facts which are relevant, and it doesn't clarify the
2 law. It is simply an idle act which the law abhors.

3 Secondly, it puts the -- the timing of the
4 judicial review entirely in the hands of the Agency. It
5 is an open-ended invitation to the Agency to delay
6 forever the -- the final permit issuance, denying the
7 landowner a right to ever have judicial review. That
8 was important to this Court in -- in Sackett, when this
9 Court was looking at whether an enforcement action -- if
10 you could instigate an enforcement action -- whether
11 that would be an appropriate remedy. And this Court
12 said it wasn't because the -- the -- even though you --
13 the landowner may be able to commit a -- a violation,
14 has no control over when the enforcement action would
15 follow.

16 So the fact that there's no control in the
17 landowner to -- as to when the -- the judicial review
18 would occur, we think is violative of the APA. The APA
19 suggests immediate judicial review is required.
20 That's -- falls under the presumption of reviewability.
21 That's -- that's the intent of Congress.

22 Once finality has been established, it seems
23 to me that -- that the Court should be looking at ways
24 to facilitate judicial review and not find ways to deter
25 it or delay it or obviate it.

1 JUSTICE GINSBURG: Suppose the response to
 2 your -- to your argument on the part of the Agency is,
 3 well, we didn't have to get into this in the first
 4 place; there's no statute that required us to hold these
 5 jurisdictional -- to make these jurisdictional
 6 determinations, so forget it. Your client is exposed to
 7 the very same things under the statute, right? So
 8 because the Agency has provided something that at least
 9 is some benefit to the public it served, it becomes
 10 subject to immediate review, where, if it -- if it had
 11 done nothing, all we had was the statute, then your
 12 client is still left with the same choices, right?

13 MR. HOPPER: You might recall, Your Honor,
 14 that this is a 12(b) motion where we take the facts as
 15 asserted in the -- in the complaint as -- as correct.
 16 And the complaint suggests that this jurisdictional
 17 determination should never have been issued; that --
 18 that the waters on this particular property are not
 19 waters of the United States, and a negative
 20 jurisdictional determination should have been issued.

21 CHIEF JUSTICE ROBERTS: I thought your --

22 MR. HOPPER: So that -- that's a unique
 23 result of the -- of the jurisdictional determination,
 24 and does not follow from the -- from the statute.

25 Under the statute, we should be exempt.

1 Under the jurisdictional determination, we have to get a
2 permit.

3 CHIEF JUSTICE ROBERTS: I thought your
4 answer might focus on the fact that this is of great
5 benefit to the Agency, because by issuing the
6 determinations, they are able to exercise extraordinary
7 leverage without going through the formal enforcement
8 process. So it -- it does give them -- it is a way for
9 them to exercise their authority without effective
10 judicial review. And that's a significant enforcement
11 tool for them. So they might be unwilling to give it up
12 if they had the option.

13 MR. HOPPER: I think there's no question
14 they're not going to give it up. They have -- they have
15 nothing to lose. The -- in almost all cases, the -- the
16 recipient of the jurisdictional determination defers to
17 the judgment of the Agency. And as you say, it is used
18 for leverage. In fact, I would even say it -- to extort
19 mitigation from a -- from an individual that they could
20 never do if -- if they could establish, through judicial
21 review, whether there are jurisdictional waters on the
22 site. So I agree with you. I think that that's one of
23 the problems.

24 We also think one of the difficulties with
25 going through the permit process is the cost; not that

1 the cost is definitive, but if the cost is prohibitive,
2 then it -- then it raises a -- a problem because you
3 can't -- it raises, I think, a potential due process
4 problem. I think it raises another problem of
5 practicality.

6 JUSTICE SOTOMAYOR: How do I determine how
7 much is too much? I mean, for some people, given their
8 financial situation, \$3,000 is too much. And for
9 others -- I don't know your client's financial
10 wherewithal, but 10,000 would be reasonable. So when do
11 we decide how much is too much?

12 MR. HOPPER: Well, I -- I don't think it's
13 a -- a question that needs to be answered generally,
14 because it can be answered specifically in this case.
15 In this particular case, the landowner has been asked to
16 provide over a hundred thousand dollars in -- in
17 additional studies. You might recall that the -- the
18 applicant actually started the permit process and was
19 willing to go through the permit process until it became
20 unreasonable and too cost prohibitive to proceed. And
21 that's when they asked for the jurisdictional
22 determination.

23 CHIEF JUSTICE ROBERTS: Thank you, counsel.

24 Mr. Stewart, two minutes.

25 REBUTTAL ARGUMENT OF MALCOLM L. STEWART

1 ON BEHALF OF THE PETITIONER

2 MR. STEWART: Thank you, Mr. Chief Justice.

3 First, with respect to the costs of the
4 permitting process, there -- there's no basis for
5 assuming that the permit process is systemically
6 unavailable. As Mr. Hopper was referring to, the Corps'
7 statistics indicate that a little over 50,000 general
8 permit authorizations and a little over 3,000 individual
9 permits are granted each year.

10 The process may be expensive in individual
11 cases, but it is a process that is regularly invoked,
12 and regularly invoked successfully. And in many
13 instances, if the Corps and the landowner come to an
14 agreement, the Corps offers to permit the activity on
15 terms and conditions that the landowner regards as
16 acceptable, that may obviate the need for a court ever
17 to resolve the question of whether these were
18 jurisdictional waters. And that's the kind of
19 consideration that is often invoked as a justification
20 for not submitting interlocutory review, that the issue
21 on which a person seeks immediate review may turn out
22 not to -- to be necessary to resolve after all.

23 With respect to the analogy to district
24 court litigation, I think in Standard Oil, this Court
25 has already taken the step of saying the same principle

1 applies to administrative adjudication.

2 My -- my point in analogizing to district
3 court litigation is simply that this is not a quirk of
4 administrative law. This is a fundamental precept of
5 our legal system: That on the whole, we are more
6 worried about piecemeal litigation than about deferred
7 litigation.

8 Finally, formality is not the key. In
9 Franklin and in Dalton, the.

10 Agency process at issue were intensely
11 formal, intensely structured, and they were designed to
12 have an effect on the President's decision-making. They
13 were held not to be final Agency action because they
14 were not legally binding on the President.

15 And the same thing is true here with respect
16 to the binding effect of the jurisdictional
17 determination on the recipient.

18 Thank you.

19 CHIEF JUSTICE ROBERTS: Thank you, counsel.

20 The case is submitted.

21 (Whereupon, at 12:08 p.m., the case in the
22 above-entitled matter was submitted.)

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A	50:14	affect 3:18,20 43:20	analogizing 51:2	10:7
a.m 1:15 3:2	actual 3:20 5:24 18:23 45:13	affirmative 39:21	analogous 18:17	appropriate 46:11
abandon 35:24	add 45:25	agencies 6:22 16:23 17:16	analogy 50:23	approved 21:17 22:8 31:21
Abbott 13:9,11 13:24 14:20,22 14:23 21:3,5 35:15,20 41:7	addition 27:5	18:1 29:25	analysis 31:13 38:17	32:11
abhors 46:2	additional 49:17	agency 3:12,24 3:25 5:7,8	answer 28:14 40:10 48:4	arbitrary 26:7
able 5:14 10:21 13:1 16:5 33:5 34:1 46:13 48:6	address 8:11	14:11,17 15:9 16:1 18:5,7,8 19:21 21:6 24:11 25:8 27:10,11,11 30:9,20 32:4 32:10 33:13 36:7,14 39:3 40:11,15,17,19 41:22 43:25 46:4,5 47:2,8 48:5,17 51:10 51:13	answered 49:13 49:14	arduous 12:10
above-entitled 1:13 51:22	adds 45:24	agency's 21:13 25:4 27:16 40:2	answering 21:23	area 17:19
absent 9:15	adequate 36:21	agree 12:1,2 22:7 23:10 26:2 48:22	anyone's 3:14	arguably 18:14
acceptable 50:16	adjudication 24:12,19 25:24 27:6,8,14 32:22 36:12,16 36:17 41:18,20 42:9 51:1	agreement 8:8 16:19 50:14	anyway 9:21	arguing 11:9
accomplishing 40:15	adjudications 30:12	ahead 11:22 26:13	APA 41:18,21 42:25 45:23 46:18,18	argument 1:14 2:2,5,8 3:3,7 4:15 6:11,16 6:17 12:17 26:16,24 36:8 39:25 45:4 47:2 49:25
accurate 25:9 30:6 31:5	adjudicative 29:10 30:19 38:2	AL 1:7	apart 32:19	arguments 16:13
accurately 28:1	administration 8:21	Alaska 34:15	apparent 18:22	Army 1:3 3:4,12 6:4 7:7,22 8:5 9:20 21:11 39:6
achieve 23:19	administrative 12:19,24 20:10 20:16 24:22 40:13 51:1,4	alerts 39:18	appeal 20:10,16 21:22 24:22 25:18,23 26:5 34:1,3,6	Article 36:5,10
acres 38:4	administrativ... 30:16	ALITO 4:22 5:13 6:1 19:22 20:4 34:12 36:4 39:5,25	appealable 16:14	asked 49:15,21
act 3:18 4:21 12:11 15:20 18:13,22 19:14 20:7 24:7 31:7 31:10,11,12 37:2,17 38:11 38:13 40:3,13 44:1 45:14 46:2	administrator 7:23 8:21	allow 12:6	appealed 29:1 30:15	asking 16:11
action 3:12,25 4:13 5:19 6:10 8:2 10:12 13:17 15:9 16:20 17:8 18:10 27:11,22 27:24 28:7 29:4,5 35:22 36:1 38:10 39:3 40:11,19 46:9,10,14 51:13	adopt 32:4	allowed 33:21	appealing 36:12	asks 11:4
activity 10:17	adopted 4:18	alter 3:14	appeals 23:14 26:3,4 39:2 44:24	aspects 23:4
	advance 19:9,18	alternative 12:1 12:3 24:3	appear 15:2	asserted 47:15
	advanced 12:7	altruism 25:4	APPEARAN... 1:16	assessed 45:6
	adverse 34:6 36:10,11	ambiguous 19:14	appeared 15:1	assessment 3:19
	advice 17:5,6 18:1,2 19:20 21:3,22 22:2 22:11 24:8,9 24:20,25 38:21 40:10,23 44:18		appears 28:8	assume 13:7
	advisory 27:25 28:23,25		appellate 23:17 32:24	assuming 16:13 50:5
	advisory-type 42:14		applicant 11:4 28:24 49:18	assurance 19:9 31:1
			application 13:21 19:13	attempt 24:10
			applied 41:23	audience 4:4
			applies 18:22 19:24 23:12 51:1	authentically 19:14
			apply 35:2 45:3	authority 7:12 8:20 48:9
			applying 8:22	authorizations 50:8
			apportionment	available 3:19 5:11 12:1

15:17 aware 39:1	BREYER 13:4 20:25 22:13,23 22:25 34:11,13 35:1,5,7,11,16 40:8 41:6,11 42:2 brief 6:18 8:10 21:1,2,16 briefs 32:2 bring 10:21 13:17 27:21 29:4 brings 44:5 broadly 40:6 brought 21:12 built 28:22 bulk 19:5,5 burden 16:8 burdensome 19:11 bureau 5:8,11 15:17,19 27:21 28:2	cases 7:5,12,12 7:13,14 8:21 9:7 28:16 30:19 44:13 48:15 50:11 catch-22 35:21 certain 4:10 14:7 certainly 6:3 7:13 9:23 18:14 19:12 25:7 29:19 45:19 certify 23:22 CFR 21:9 22:5 challenge 13:1 33:6,11 challenged 11:14 challenging 10:16 chances 4:12 11:23 19:20 change 14:16 21:15 26:23 27:2 changed 9:15 charged 12:20 Chevron 42:4 42:10,15 Chief 3:3,9 7:1 7:19 8:9,17 9:4 10:18 11:8,19 26:14,18 43:15 43:20 47:21 48:3 49:23 50:2 51:19 choice 4:16,20 36:2 choices 37:20 47:12 choose 4:7 circumstances 9:15 40:18 cite 8:10 citizen 10:13,15 civil 18:15 43:18	43:25 45:15 claim 16:3 clarify 46:1 clarifying 16:24 Clean 3:18 4:20 12:11 18:12,22 20:6 24:7 31:7 31:10,11 37:2 37:17 38:11,13 40:3 43:25 45:13 clear 3:22 11:15 29:7 client 37:7 47:6 47:12 client's 49:9 closer 5:3 closest 18:17 come 18:5 19:8 22:2 28:11 50:13 comes 11:20 17:6 37:17 command 15:6 commenced 12:19 Commerce 10:8 Commission 13:18,25 14:4 28:5,7 commit 28:13 46:13 communicate 7:9 communication 3:24 Company 3:5 compares 17:11 17:14 comparison 45:1 complaint 12:25 23:16 47:15,16 complete 32:21 completely 13:12 28:1 compliance 17:4	44:17,18 45:8 complying 15:18 25:11 concern 22:25 concerning 8:3 concluded 11:14 concludes 10:14 conclusion 23:19 39:4 conditions 5:10 15:19 21:15 26:9 50:15 conduct 18:4 19:19 confronted 15:24 confronts 12:15 Congress 12:6 19:15 40:3 46:21 consequence 20:20,22 consequences 13:6 14:10 38:1 42:23 consider 17:8 consideration 50:19 considered 45:2 constitute 39:4 constitutes 43:8 constrained 15:16 construction 18:25 consultation 7:10 contains 3:17 contemplated 18:3 contexts 12:17 15:8 control 46:14,16 conversely 44:15 core 8:11 Corps 1:3 3:5,12
<hr/> B <hr/> B 14:14 back 30:1,18 bad 32:21 44:2 balance 26:12 bank 28:14 based 16:20 28:5 basically 29:7 42:12 basis 22:17,17 50:4 behalf 1:18,20 2:4,7,10 3:8 26:17 50:1 believe 12:21,22 25:12 34:8,9 believes 4:6 21:19 25:9 belong 34:16 benefit 47:9 48:5 benefits 25:7 30:7 Bennett 5:4,5 11:1 13:5,7 15:12,13 20:21 37:22 41:7 42:21 Bennett's 10:2,3 best 24:24 43:2 beyond 23:1 binding 4:24 5:17 6:8 7:16 7:25 10:10 11:16 16:18 24:10,11 26:20 27:7,7,14 28:25 29:15 39:4 45:20 51:14,16 biological 5:6 15:16 board 30:3	<hr/> C <hr/> C 2:1 3:1 7:4 Cal 1:20 called 21:10,13 40:13 capricious 26:7 care 21:4 careful 15:13 case 3:4 5:2,3,14 6:10,20 7:6,18 8:15,23 9:2,5 9:14 13:9 17:3 18:24 19:23 21:8 23:19 25:19 28:21 29:13 32:3,25 33:20 34:5,7 36:9 37:15 38:3 41:14,15 44:11 45:3 49:14,15 51:20 51:21 case-specific 6:5			

4:5,18,24 5:5 6:24 7:7,23 8:6 9:12 10:14,24 11:2,6,20 16:18 19:9 21:11,19,19 24:15,17,24 25:2,6,9 30:3 32:11 39:6,18 50:13,14 Corps' 3:16 4:2 5:17 9:20 10:20 16:20 22:20 50:6 correct 20:3 39:11 47:15 cost 12:13 32:2 34:19 35:25 36:1 48:25 49:1,1,20 costs 50:3 counsel 26:14 49:23 51:19 count 41:17 42:17 country 18:21 18:25 40:7 couple 27:17 course 11:3 21:2 37:3 courses 38:10 court 1:1,14 3:10 5:5 10:8 11:4 13:12,13 13:22 14:18 15:7,10,13 16:1,16 20:16 22:18 23:6,17 24:3 26:5,19 32:17,18 33:6 33:10,13,16,18 33:18 34:14,17 35:20 36:22 40:5 43:17,24 44:1,21,22 45:2 46:8,9,11 46:23 50:16,24	50:24 51:3 court's 3:22 26:6 32:23 courts 14:15 cover 38:13 coverage 6:24 covered 21:20 covers 40:6 criminal 18:15 43:19 44:5 45:15 culminate 22:10 culminates 22:8 culmination 21:18 current 9:10,11 <hr/> D D 3:1 8:19 D.C 1:10,18 DA 7:22 Dalton 51:9 danger 26:3,4 day 16:8 45:6,8 45:16 DE 7:6,8 DEA 8:25 dealing 5:6 6:19 37:10 dealt 14:23 15:7 decide 35:12 49:11 decided 13:17 14:2,4 29:12 decides 9:5 decision 15:14 15:15,25 decision-maki... 51:12 decline 32:5 defend 13:2 defer 30:20 deference 42:4 42:10 deferred 51:6 defers 48:16 define 31:14	definite 22:5 definitive 31:22 49:1 delay 25:18,24 46:5,25 deliberate 24:10 denied 23:15 denies 16:2 denying 46:6 Department 1:18 38:19 deposit 19:1 Deputy 1:17 describes 7:5 describing 28:19 29:17 designed 12:6 19:15 51:11 detailed 31:14 deter 46:24 determination 3:11,16 4:3,5 4:17,23 5:17 5:21 6:15 7:16 8:3 9:20 10:20 11:5,12,16 13:19 16:21 17:23 19:24 20:2,6,17 21:10,13,17 22:6,9 24:6,11 25:13 26:6 27:7 28:21,24 29:11 31:22 32:3,8,12 33:6 33:11,19 35:21 36:5,6,11,13 38:2 39:17,21 41:15 43:4,18 43:21 44:3,23 45:20 47:17,20 47:23 48:1,16 49:22 51:17 determinations 4:19 6:5,6,20 7:8,9,18,21 8:5 8:12,14,15,19	8:23,25 9:3 23:4 32:6 47:6 48:6 determine 31:11 49:6 determined 37:25 38:1 42:22,23 development 4:14 devoted 21:9 dicey 6:23 difference 34:12 42:15 different 5:2,14 6:14 11:24 12:16 22:2 28:15 33:1,13 38:10,25 44:22 44:25 difficult 12:2 17:3 31:10,11 difficulties 48:24 difficulty 17:21 dig 19:1 directive 15:4 dirt 19:1 disagree 6:24 11:18 16:13 33:20 disagreement 16:20 disagrees 16:5 discharge 10:17 11:18 12:4 43:9 discharges 12:8 40:4 discharging 4:11,11 20:24 discussion 15:11 dismiss 16:2 23:15 dismissed 23:17 dissented 13:8 distinct 21:18	distinction 29:24 36:4 distinguishable 29:16 district 7:7 8:19 16:1 33:10,16 33:18,18 34:14 36:6 50:23 51:2 divide 40:14 division 7:11 28:6 document 22:19 doing 3:14 18:6 19:2 39:6 dollars 23:8,18 34:20 49:16 double 45:3,5 doubt 25:21 36:24 draw 17:15,19 30:1,18 42:16 drawing 17:22 drug 14:25 15:2 due 49:3 dump 11:22 duplicative 26:4 <hr/> E E 2:1 3:1,1 earlier 32:17 39:12 easily 16:23 effect 11:7,17 13:16,22 14:6 16:25 21:14 43:3,5 51:12 51:16 effective 48:9 effects 3:23 43:5 efforts 44:2,2 eight 30:15 either 7:22,22 8:5,19 19:19 22:22 25:25 elaborate 22:9 eliminate 27:3
--	--	--	---	---

emphasize 4:1	41:8	fail 14:9	Fish 5:7	found 26:21
Endangered	exception 14:8	failure 16:3	five 21:14 22:4	fourfold 45:23
15:20	44:20	fairly 17:24	27:12	Franklin 10:4
enforcement	exceptions 11:9	faith 27:24 44:1	five-year 11:7	51:9
4:13 5:19,19	Exchange 28:5	44:2	22:5	free 11:17 33:21
10:12 17:7	excuse 14:23	fall 31:6	fix 16:23	front 18:18
18:10 25:8	exempt 47:25	falls 41:8 46:20	Florida 34:16	Frozen 13:13
27:22 28:7	exercise 48:6,9	far 5:24 6:2	flow 13:7 14:11	41:4,7,13,14
29:5 36:1,7,14	exist 29:22 37:7	17:24	38:1	FTC 12:18,19
39:15 43:7	existed 4:16,18	FCC 17:13	flowing 14:16	12:23 15:23
46:9,10,14	existence 43:8	27:19,21	42:24	fully 28:1 30:1
48:7,10	existing 25:21	features 21:4	flows 14:20	function 17:5
engages 15:10	27:4	federal 4:24 5:7	fly 45:11	fundamental
engineer 7:7	expands 39:14	5:8 6:10 8:2,2	focus 48:4	51:4
8:20	expense 13:2	17:4 21:24	follow 23:5,7	further 36:16
Engineers 1:4	16:9	23:2,2 28:9,17	33:2 46:15	40:1
3:5,12 8:6	expensive 4:9	29:22 40:22	47:24	future 4:12,25
21:12 39:6	12:10 50:10	feels 20:24	following 17:9	FWS's 15:18
entered 16:18	expert 31:13	figure 37:1	follows 43:3	
entire 20:8	explain 24:7	figures 10:6,7	Food 13:13 41:4	G
entirely 4:14	explains 13:11	filed 10:16	41:7,13,14	G 3:1
45:10 46:4	exponentially	fill 4:11 12:4	footnote 8:10	gain 30:10 31:3
EPA 4:24 5:15	19:11	final 3:12,25 7:8	force 4:7	gauntlet 31:2
5:18,19 6:4,24	exposed 47:6	7:21 8:3,5,14	foreclosed 5:18	general 1:17
7:8,10,23 8:6	Express 13:13	8:18,25 10:19	16:19	8:14 23:13
9:12 10:12	expresses 3:16	10:24 14:12	forego 19:20	36:23 50:7
16:18,19 23:1	extension 44:2	15:9 24:12	forever 46:6	generalized
25:2,5	extort 48:18	27:11 29:14	forget 47:6	31:17
equal 40:19	extraordinary	32:25 39:3	forgoing 4:14	generally 17:2
equivalent 33:23	48:6	40:11,14,19	formal 21:6,23	49:13
ESQ 1:17,20 2:3		41:8 42:1,13	22:4,5,9,19	generic 15:1
2:6,9	F	42:14 44:23	23:3 24:11,14	getting 19:18
essentially 14:24	face 36:25	45:20 46:6	24:19 29:21	Ginsburg 12:9
28:13 41:15	facie 43:9	51:13	30:4,5,11,18	14:5 23:21
establish 48:20	facilitate 46:24	finality 37:23	30:25 31:15	24:5,18 25:1
established 38:3	facing 37:8	42:20,25 46:22	32:11 40:18,24	32:14,16 33:4
46:22	fact 9:24 10:14	Finally 51:8	41:8,17,20,23	33:9,17 34:4
ET 1:7	15:16 27:5,8	finalness 42:18	42:9 44:3,24	34:25 47:1
everybody 40:17	31:6 39:19	financial 49:8,9	48:7 51:11	give 9:13 17:5
evidence 43:9	41:13 46:16	find 17:3 36:19	formality 22:16	21:3 22:1 24:9
exact 37:8	48:4,18	38:14 46:24	24:22 42:17	24:20,24 27:17
exactly 12:17	fact-finding	fine 9:13 22:2	51:8	28:12 30:1
22:22 37:13	30:2	42:11 45:15,15	formalized	32:5,11 35:13
example 9:14	facts 17:9 18:23	first 10:25 11:12	29:14	37:19 43:1
12:17 43:3	28:1,6 41:23	19:25 24:6	former 40:25	44:21,23 48:8
examples 27:18	46:1 47:14	25:14 45:24	forward 20:7	48:11,14
38:25 39:2	factual 17:18	47:3 50:3	26:1	given 38:9 42:15

49:7	guess 16:16	27:4,15 28:19	5:10	intended 4:4
gives 18:18	17:10,20 28:8	29:9 30:9 31:8	included 5:9	11:11 13:8
44:18	28:15 29:23	32:7 33:2,8,14	includes 6:6	24:23
giving 18:1	30:7,23 40:25	33:25 34:8	including 15:1	intensely 51:10
21:21	41:1	35:4,6,9,15,18	24:22	51:11
go 9:21 11:22	guidance 18:18	36:15,20,21	inconsistent	intent 46:21
12:12 14:9	Guidebook	37:13,21 38:11	5:20	interlocutory
20:7,12 22:22	21:11	38:23 39:1,24	increase 45:17	23:13,23 50:20
23:24 26:1,7	guided 22:5	40:1 41:3,10	Increased 43:7	interpretation
26:13 32:20	guideline 32:9	41:13,16,19,22	increases 43:18	14:13
34:9,14,18	32:10	42:1,5,19 43:7	independent	interpreted 40:6
35:25 38:16,19		43:13,16,23	10:11 34:21	interpreting
38:20 40:22	H	44:7,9,19	indicate 30:12	13:25
41:1 49:19	hand 9:16	47:13,22 48:13	50:7	invitation 46:5
goes 20:25 21:9	hands 46:4	49:12 50:6	indicating 4:5	invoked 50:11
going 9:21 11:6	happen 14:1,3	hundred 38:24	indistinguishable...	50:12,19
12:13 14:1	28:9 35:12	49:16	41:14	involving 7:6
23:6 25:23,25	38:9	hundreds 23:7	individual 30:14	issuance 21:17
28:11,12 30:20	happened 9:23	23:18	48:19 50:8,10	46:6
32:23 33:23	14:1		inducement	issue 13:20
34:19,20 35:12	happens 9:6	I	25:17,21	17:23 23:3
35:13,17 39:22	14:6 15:23	ICC 13:15	industrial 18:25	25:24 30:12
44:21 45:22	18:24 23:8,14	idea 21:3	inform 25:3	33:15,22 39:20
48:7,14,25	44:16	identified 42:21	informal 18:1	40:9 50:20
good 21:3 23:23	harbor 11:10	idle 46:2	19:20 21:22	51:10
27:24 28:17	Harlan 13:11	ii 7:4	22:1,4 40:10	issued 3:11 4:17
37:15 44:1	harm 14:16	III 36:5,10	40:23	5:6 28:24 42:1
goodness 39:7	harsh 18:15	illegal 18:6 19:3	informally	47:17,20
government	Hawkes 1:7 3:5	illegality 18:3	40:17	issuing 4:19
4:24 6:8 7:17	38:4	imagine 19:7	information	16:24 30:11
8:1 9:10,14	hear 3:3	immediate 16:6	11:3 25:10	48:5
15:25 16:15	hearing 41:24	16:7 33:8,10	31:5,14 37:12	
17:4,16,17	heart 39:7	46:19 47:10	37:19 38:9	J
23:2,2 28:9,17	held 15:8 51:13	50:21	informational	jail 20:25 23:6
29:22 30:18	help 26:22 37:10	immediately	28:23	JD 3:16 5:21
44:12,18	41:3	15:9 23:24	informed 30:2	9:16 31:18,19
government's	helpful 30:6	immunity 15:20	informs 21:19	31:21 32:2
6:9 8:1 25:24	helps 17:17	impact 4:2	initiated 12:24	37:7,7,9,17
granted 50:9	Hobson's 36:2	15:14 43:6	initiation 13:1	43:8
gravamen 16:22	hold 47:4	important 5:23	instance 14:25	JD's 16:25 37:9
great 11:19,20	Honor 28:20	14:10 21:4	41:2	job 41:2
13:2,9 35:23	29:10 33:3,15	46:8	instances 17:25	joined 13:5,5
35:24,25 36:1	34:1 36:19	impugn 13:3	39:23 50:13	judge 36:6,10
48:4	37:22 43:14,24	incentive 30:17	instigate 46:10	42:12
greater 25:11	47:13	39:17	Instructional	judgment 32:25
ground 3:24	Hopper 1:20 2:6	incentives 29:24	21:11	34:2,4,5 48:17
16:17	26:15,16,18,25	incidental 5:9	insufficient 6:14	judicial 20:5,10

23:8,14 33:8 33:16 36:2,10 36:18 45:23 46:4,7,17,19 46:24 48:10,20 judicially 5:22 17:25 jurisdiction 16:3 30:21 31:15 34:6,17 39:20 44:23 jurisdictional 3:11,15 4:2,5 4:17,19,23 5:17,20 6:6,15 8:12 10:14 11:5,12,15,16 11:21 16:21 17:23 19:24 20:1,17 21:10 21:17 22:8,20 24:5,13 25:13 26:5,6 28:21 28:23 31:21 32:6,8,12,18 32:22 33:6,11 33:19,22 34:22 35:8 36:5,6,11 36:13 38:14 39:17,21 41:15 43:4,18 45:25 47:5,5,16,20 47:23 48:1,16 48:21 49:21 50:18 51:16 Justice 1:18 3:3 3:9 4:22 5:13 6:1 7:1,19 8:9 8:17 9:4,13,19 9:24 10:18,22 11:8,19 12:9 13:4 14:5 16:10 17:1 18:11,12 19:22 20:4,19,25 22:11,13,23,24 22:25 23:21	24:5,18 25:1 25:12,16 26:10 26:13,14,18,22 27:1,15 29:2 29:18 30:23 32:1,14,15,16 33:4,9,17 34:4 34:11,12,13,25 35:1,5,7,11,16 36:4,20,23 37:14 38:7,18 38:24 39:5,25 40:8 41:6,11 41:16,20,25 42:2,3,7 43:2 43:11,15,20 44:7,10 47:1 47:21 48:3 49:6,23 50:2 51:19 justification 50:19 K Kagan 17:1 22:11,24 27:15 29:2,18 30:23 32:15 36:20,23 37:14 38:7,18 38:24 41:16,20 41:25 42:3,7 44:7,10 Kagan's 18:12 Kennedy 18:11 20:19 25:12 32:1 43:2,11 key 51:8 kind 22:1,11 29:24 30:11 31:13 32:24 42:17 50:18 kinds 17:5,11 42:13,13 know 7:20 9:22 16:12 17:10,17 24:21 27:16 28:15,18 29:6	29:25 30:3 33:25 37:3 41:1 42:11,16 44:13 45:10 49:9 knowing 44:4 45:14 L L 1:17 2:3,9 3:7 49:25 labeling 15:1 laborious 38:16 Labs 13:10,11 13:24 14:20,23 14:23 21:3,5 35:15,20 41:7 lack 16:2 land 39:16 landowner 11:17 12:10 19:24 20:5,7 20:14,23 21:19 30:10,20 43:22 44:6 46:7,13 46:17 49:15 50:13,15 landowners 24:24 25:8,22 39:9,15 lands 21:24 language 7:16 29:3,9 32:11 32:13 law 4:23 10:23 12:21 14:8 15:24 17:8 41:23 45:9 46:2,2 51:4 lawfully 12:5 left 14:12,17 21:7 47:12 legal 3:14,20 5:11 10:9 12:15,15 13:6 14:10,17 15:5 15:5,17 18:6,9	20:20,22,23 23:13 34:2 38:1 42:23 43:3,6,12,13 51:5 legality 12:7 18:2,3 19:18 legally 5:17 10:10 11:17 12:1 51:14 lengthy 32:20 let's 19:22,22 letter 28:5 44:11 44:14,15 45:18 letters 17:13,13 22:11 29:3,8 38:20 leverage 48:7,18 liability 15:20 43:19 license 13:20 likelihood 18:8 25:10 line 41:9,12 42:16 lines 17:1,15,19 17:22 listed 22:3 litigating 23:18 litigation 4:25 6:10 7:17 8:3 25:17 44:17 50:24 51:3,6,7 little 18:18 50:7 50:8 locations 19:6 long 26:23 29:20 34:20 look 21:5 44:1 looking 7:3,20 8:7 27:16 37:1 43:25 46:9,23 lose 30:10 31:4,4 48:15 losing 16:4 loss 35:23,24 lost 33:22	lot 12:13,16 15:24 19:1 39:8 M M 1:20 2:6 26:16 main 45:21 majority 18:21 making 13:14 30:5 40:3 MALCOLM 1:17 2:3,9 3:7 49:25 manifested 22:19 manipulative 26:3 manufacturers 15:5 March 1:11 marks 21:18 Massachusetts 10:5 matter 1:13 13:9 14:18 16:3 39:22 40:20 51:22 mattered 10:9 matters 27:20 mean 11:20 17:2 17:20 21:1 24:2 25:2 35:16 36:24 38:22 39:22 41:6 44:16 49:7 meaning 25:21 27:23 means 4:10 34:18 mechanism 12:6 19:17 24:3 memo 9:25 memorandum 6:3,7,12,18 7:3 8:8,8,16 9:8,9
--	--	---	--	--

<p>9:17 mentioned 27:9 merits 16:4 met 37:24 42:19 million 34:20 mind 41:1,4 mine 35:17 mine-run 7:12 8:11 minutes 49:24 mitigation 48:19 MOA 9:1,1,1,4 16:24 26:20 27:3,5 money 12:13 morning 3:4 motion 16:2 23:15 47:14</p> <hr/> <p style="text-align: center;">N</p> <hr/> <p>N 2:1,1 3:1 name 14:25 15:1 narrowest 16:14 nationwide 30:14 navigable 40:4 necessary 50:22 need 34:9 50:16 needs 49:13 negative 9:16 39:20 47:19 neutral 36:10 never 4:18 10:1 31:13,16 40:16 47:17 48:20 new 11:3 16:24 nice 39:8 no-win 35:22 nonspecial 7:5 7:13,14 normally 40:11 nothing's 35:12 notice 45:19 Number 37:25</p> <hr/> <p style="text-align: center;">O</p> <hr/> <p>O 2:1 3:1</p>	<p>objectionable 36:19 obligated 31:23 obligation 10:10 15:17 38:1,3,8 42:22 obligations 3:15 29:11 obliged 38:5 obviate 46:25 50:16 occasionally 6:21 occur 31:16 46:18 occurred 19:3 offers 50:14 offices 17:4 28:10 official 21:13 27:10 Oh 42:5 Oil 12:18,18,20 15:7,23 23:11 50:24 Oil's 12:25 okay 14:6 20:4 once 14:5 21:12 46:22 ones 42:14 open-ended 46:5 operate 23:3 opinion 3:16,18 5:6 15:16 16:22 17:13,13 27:24,25 28:5 42:11 44:11,14 44:15 opinions 44:21 opportunity 23:22 opposed 6:13 43:4 opposite 31:21 option 20:23 28:22 35:24 48:12</p>	<p>options 3:19,21 4:8 5:11 15:17 oral 1:13 2:2,5 3:7 26:16 45:4 order 3:13 13:15 13:24 14:11 15:14 16:1,1,5 32:7 45:9 ought 17:24 23:16 outset 6:22 overrule 13:8 owner 12:4</p> <hr/> <p style="text-align: center;">P</p> <hr/> <p>P 3:1 p.m 51:21 PAGE 2:2 panic 16:11 part 17:21 19:25 20:13 21:9 22:14 35:3,9 35:13 43:21 47:2 particular 3:17 6:18 13:17 14:18 15:25 17:18 25:23 27:20 29:13 38:12 47:18 49:15 parties 19:1,17 party 16:4 18:18 23:16 25:18 27:22,23 44:13 passed 29:7 40:3 40:12 pause 8:17 pay 23:18 paying 23:7 penalties 43:25 45:3,5 penalty 23:6 people 12:6 17:6 17:17 21:3 23:4,5 28:10 28:18 31:2,5</p>	<p>36:25 37:10 38:19,20 44:14 49:7 perceive 6:22 perceived 18:2 perfectly 14:14 14:19 period 11:7 permit 4:8 12:4 19:25 20:24 25:25,25 31:23 34:10 35:13,25 36:18 38:5,15 43:10 45:22,24 46:6 48:2,25 49:18,19 50:5 50:8,14 permits 30:13 30:14,14 50:9 permitting 11:4 12:5 19:16,25 20:9,12,14,19 24:2 25:14 26:8 27:12 33:24 50:4 person 3:13 7:23 7:24 9:21 14:6 16:4 50:21 persuading 20:16 Petitioner 1:5,19 2:4,10 3:8 50:1 phrase 12:22 phrased 15:4 piece 44:18 piecemeal 51:6 place 28:9 44:16 47:4 playing 4:13 please 3:10 16:11,12 26:19 33:3 34:25 44:8 point 5:23 6:18 13:14 15:23 18:23 19:12 20:13 21:2,5</p>	<p>32:16 37:5 51:2 pointing 25:12 policy 9:11 13:19,20 23:9 23:11 pollutants 4:11 posed 4:20 position 6:9 8:1 24:12,13 25:4 possibility 5:18 10:12,13 20:9 possibly 14:9 post 9:17 potential 44:5 49:3 potentially 23:20 25:17 power 9:25 33:19 39:15 practical 3:23 4:2 11:20 15:14 22:17,22 39:22 43:4,5 43:12 practicality 49:5 practically 12:2 practice 4:18 10:1,5,23 18:16 39:4 practices 27:17 pre-memoran... 9:16 precedents 3:22 precept 51:4 precisely 13:23 preclude 10:15 predicament 37:6,8,11,16 37:16,17 predicaments 36:25 preliminary 28:21,23 31:18 31:19 premise 10:16 39:5</p>
--	---	---	--	--

preparation 25:13	19:25 20:9,12 20:14,20 21:18	purports 29:14 29:15	31:12	8:4,5,15 9:1,2 50:6
prepared 10:8	21:22 22:7,10	purpose 25:23 27:8 28:10	read 8:22 9:9,9 9:9 26:20 40:22	reflect 9:11
present 10:15 11:15 21:20 22:20	22:16 24:2 25:14 26:8 27:12 28:22	purposes 39:14	readily 18:21	reflects 9:10
presented 24:17 28:1,6	29:13,19,21 30:19 31:16	pursuant 6:7 8:25	reading 45:9	refrain 3:13
presents 11:3	33:24 34:10	pursue 18:9	real 26:3 36:25	refraining 30:11
President 10:5 10:10 51:14	37:7,7,18 39:2 39:10,13 44:24	put 13:2 16:8 21:1 27:19 45:19	realistic 10:13	regarding 6:10
President's 51:12	45:22,24 48:8 48:25 49:3,18	puts 18:15 37:20 46:3	really 12:5 19:6 22:16 30:17 40:2	regardless 37:6
pressure 22:22 22:23	49:19 50:4,5 50:10,11 51:10		reason 12:22 13:5 23:23 24:17 25:5 28:17 37:9,15	regards 50:15
presumption 46:20	process's 37:9	Q	reasonable 49:10	regional 7:23 8:21
prevail 37:15	processes 30:4,5	QED 14:20	reasons 17:2	regular 25:16
prima 43:8	program 17:11 17:14	quandary 19:6	REBUTTAL 2:8 49:25	regularly 50:11 50:12
primarily 4:1	programs 17:12	question 10:18 16:11 17:21 18:12 21:23,24 23:9,11,22 24:13 26:5 28:8 32:18,22 33:3,15 34:2 34:11,14,22,23 35:8,17 36:24 38:7 39:6,16 42:12,18 45:25 48:13 49:13 50:17	recall 45:4 47:13 49:17	regulated 19:17
principle 23:12 50:25	prohibited 40:4		receive 25:9 32:8 42:3,10	regulation 6:13 14:24 15:3 39:3
prior 7:10 11:5 15:23 36:18	prohibitive 49:1 49:20	questions 6:23 6:23	recipient 15:15 48:16 51:17	regulations 15:8 40:23
prison 14:10 45:17	project 35:24 39:23	quirk 51:3	recipient's 3:19	regulatory 28:22 32:9,10 37:4
private 10:13 18:3 44:12	prong 10:2,4 11:1 13:6 20:21 37:22 42:21	quite 15:13 18:13 29:16 30:23 39:13 43:6 44:25	recipients 4:3	relations 14:17
problem 4:15 12:15 19:4 22:14 28:11 31:9 40:2 49:2 49:4,4	proper 42:16	quote 6:5	Reclamation 5:8 5:12 15:18,19	relevant 27:25 46:1
problems 45:21 48:23	property 4:7,12 12:4 25:10,22 31:20,24 38:4 38:12 39:19 47:18		recognized 43:17	reliable 31:5,14
procedurally 22:5	prosecute 14:4	R	recommend 28:6 29:4	reliance 27:25
Procedures 40:13	prospect 20:15	R 3:1	recommendati... 17:7	relied 27:11
proceed 49:20	protected 3:17	RA 8:25	reconsider 11:5 11:6	rely 3:23 26:24 31:22
proceeding 12:20 34:19	provide 30:25 37:11 49:16	raised 21:2	REED 1:20 2:6 26:16	remains 11:7 21:14
proceedings 12:24 13:1 32:17	provided 24:23 31:5 47:8	raises 49:2,3,4	reexamination 11:2	remedy 36:21 46:11
process 4:9 11:4 12:5,12 19:16	provision 4:22	range 19:13	reexamine 20:17	removed 5:24 6:2 17:24 18:23
	public 23:9,10 25:3 47:9	Rapanos 40:5	refer 41:4	repeat 33:3
	purely 34:2	reach 18:14	referred 6:19 28:20	reply 6:18 8:10 8:1
			referring 7:17	represents 27:9
				reputation 13:3
				request 4:19 24:8 32:13
				requested 27:23

32:12 requesting 27:22,23 required 14:24 23:5 32:7,10 46:19 47:4 requirement 7:9 38:15 45:22 requirements 37:23 requires 44:1 requiring 36:18 reserve 26:11 reserving 9:25 resist 16:12 resistance 23:13 resisting 16:13 resolution 25:18 resolve 50:17,22 respect 10:19,20 10:24 11:1 14:11,22 18:20 27:20,24 37:3 38:21 40:19 42:18 44:17 45:5 50:3,23 51:15 respects 43:24 respond 32:10 Respondent 22:17 Respondents 1:8 1:21 2:7 3:23 4:1 22:21 26:17 Respondents' 4:15 response 14:21 30:21 47:1 rest 15:14 20:8 20:12,14 rested 15:15 result 22:2 40:16 45:14 47:23 results 35:23 39:2	return 15:22 32:23 review 13:15 14:14,19 16:6 16:7 20:5,10 23:6,8 32:25 33:8,16 34:21 36:3,18 43:1 45:23 46:4,7 46:17,19,24 47:10 48:10,21 50:20,21 reviewability 46:20 reviewable 4:25 5:15,22 6:15 15:9 17:25 revisit 24:15 revisited 27:13 right 7:2,3 13:15 16:15 20:2 22:13 31:24 33:7,10 37:25 38:18 41:10 42:21 45:18 46:7 47:7,12 rights 3:15 29:11 ripe 13:19 ripeness 15:10 risk 11:20 43:7 43:18 45:13,13 risks 21:1 road 11:24 ROBERTS 3:3 7:1,19 8:9,17 9:4 10:18 11:8 11:19 26:14 43:15,20 47:21 48:3 49:23 51:19 roughly 40:15 rule 27:2 32:5 40:16 ruled 16:17 rulemaking 40:15,24	rules 15:3 27:17 27:19,21 40:22 ruling 11:24 12:7 19:18 31:17 34:6 rulings 42:14 run 31:2 <hr/> S S 2:1 3:1 Sackett 43:17 45:2 46:8 Sacramento 1:20 safe 4:14 11:10 sanctions 18:15 44:5 satisfied 37:23 satisfies 42:24 saying 4:23 8:24 23:11 39:12 50:25 says 6:4 7:4,5,13 7:21,25 8:18 11:21 13:5,14 13:18 16:5 17:7 26:5 27:20 28:5 29:7 31:19,21 32:11 34:17 35:11 42:12 45:14 scope 31:15 SEC 17:13 28:4 38:20 second 4:10 10:2 10:4 13:6 15:12 20:20,21 32:4 37:22 42:21 Secondly 46:3 Secretary 10:8 Section 7:4,14 securities 28:4 38:22 see 7:20 9:7 25:20 36:4	39:13 40:23 seek 12:4 19:20 45:23 seeking 4:8 seeks 50:21 sense 25:8 35:9 42:6,8,8 sensible 17:15 separate 15:10 26:8 served 47:9 service 5:7 24:23 set 21:8 39:9 41:23 setting 28:10 33:13,13 shut 39:23 side 23:1 41:8,12 signed 7:22 8:19 significant 19:13 48:10 simple 45:18 simply 4:20 16:23 30:20 32:5 38:9 46:2 51:3 single 26:21 44:17 site 48:22 site-specific 27:6 38:16 sites 18:21,25 situation 6:13 9:16 15:24 25:20 29:16 33:12 35:22,22 49:8 situations 6:21 17:18 Solicitor 1:17 somebody 10:21 11:2 14:2 18:5 18:9 24:17 27:23 somewhat 18:23 sorry 7:2,4	26:25 39:21 42:5 44:7 sort 11:16 32:4 Sotomayor 9:13 9:19,24 10:22 16:10 25:16 26:10,13,22 27:1 49:6 sound 14:10 21:21 sounds 21:23 43:11 Spear 5:4,5 special 6:20 7:6 7:12,18 8:15 8:20,22 9:2,5,7 Species 15:20 specific 13:21 17:6 18:3 28:10 32:13 41:23 specifically 9:2 13:15 14:23 18:2 49:14 spend 14:8 sponte 11:6 24:15 spot 40:7 stand-alone 19:23 standard 12:18 12:18,20,25 15:7,23 23:11 28:4 42:25 50:24 standards 42:20 started 49:18 State 16:3 stated 3:18 21:14 statement 5:9,10 13:24 States 1:1,3,14 3:4 4:6 19:4,10 31:20,25 44:4 47:19 statistics 50:7
---	---	---	--	---

Alderson Reporting Company

vague 18:13,14	19:3,10 21:20	x 1:2,9 18:6	5
varied 21:10	22:20 31:6,20	44:14,15,16	5,000 45:16
various 15:8	31:24 38:13,15		50,000 45:16
17:5,11	40:4 44:4	Y	50:7
vast 18:21 19:5	47:18,19 48:21	Y 44:15	54,000 30:13,13
19:5 23:1,2	50:18	yeah 8:10 11:22	
view 16:24	way 9:9,10 10:4	35:16 41:6,6	6
17:10,19 20:8	16:15 24:8,18	42:7	6(a) 7:21
21:5,13 22:20	25:6 26:20	year 27:19 50:9	
27:10 28:12,12	27:2 36:23	years 12:13	7
30:2	38:14 42:20	21:14 27:12	
vindicated 16:7	48:8	45:17	8
violate 14:2,9	ways 46:23,24		
violated 14:3	we'll 3:3 24:9,19	Z	9
violating 12:21	we're 8:7 9:21	0	
violation 17:8	11:13 28:12	1	
43:9 44:5 45:7	34:15		
45:8,14 46:13	we've 6:17 31:22	10,000 49:10	
violative 46:18	42:23	11:07 1:15 3:2	
virtually 40:6	Wednesday 1:11	12 24:1	
41:14	weight 44:20,25	12(b) 47:14	
virtue 38:2	45:20	12:08 51:21	
	wet 40:6	1292(b) 23:24	
W	wetlands 21:24	32:19	
wait 36:9,12	wherewithal	15-290 1:5 3:4	
want 9:12,23	49:10	150 38:4	
11:23 17:10,15	Wildlife 5:7	150,000 14:8	
25:3 26:24	willfulness	19 6:25	
28:15,18 31:2	43:21	1946 40:12	
32:5 34:6 39:8	willing 49:19	1989 8:8	
wanted 15:21	wonder 30:7		
16:23 24:24	wondering	2	
25:6,22	29:23	2 7:4,14	
wants 22:18	word 26:21	2016 1:11	
Washington	40:14	26 2:7	
1:10,18	words 7:7		
wasn't 46:12	work 39:8	3	
waste 24:16	worried 51:6	3 2:4 8:10	
Water 3:18 4:20	wouldn't 4:9	3,000 49:8 50:8	
12:11 18:13,22	10:15 13:22	3,100 30:14	
20:7 24:7 31:7	31:3 37:12	30 1:11	
31:10,11 37:2	42:8,9,9	37,500 45:6,8	
37:17 38:11,13	writing 7:22		
40:3 43:25	wrong 32:19	4	
45:13	34:17	4 7:4	
waters 3:17 4:6		49 2:10	
10:15 11:15,21	X		