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## BEFORE THE ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

In re Determination of Navigability of the Gila River

No. 03-007-NAV

FREEPORT-MCMORAN CORPORATION'S MEMORANDUM REGARDING PROCEEDINGS ON REMAND FOR THE GILA RIVER

On April 27, 2010, the Arizona Court of Appeals decided Arizona v. Arizona Navigable Stream Adjudication Commission, 224 Ariz. 230, 229 P.3d 242 (2010) (hereinaster "Arizona v. ANSAC"), and remanded a matter in which the Arizona Navigable Stream Adjudication Commission (the "Commission") had previously found the Lower Salt River to be non-navigable. The Superior Court (in both Maricopa and Pima County) subsequently remanded to the Commission six previously appealed navigability determinations for reconsideration in light of Arizona v. ANSAC.

On December 14, 2011, the Commission issued a notice (the "Notice") confirming the remand of its navigability determinations for the Lower Salt River, the Upper Salt River, the Gila River, the Verde River, the San Pedro River, and the Santa Cruz River. The Notice requested that interested parties submit memoranda describing what the Commission should do to comply with *Arizona v. ANSAC*.

Freeport-McMoRan Corporation ("Freeport") hereby recommends a course of action for the Commission to ensure that its revised determination as to the Gila River will satisfy the requirements of *Arizona v. ANSAC*.

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#### I. Procedural Recommendations.

Freeport recommends that, in reconsidering its navigability determination for the Gila River, the Commission should follow the procedures proposed in the memorandum Freeport filed with the Commission on January 13, 2012 ("January 13 Memorandum") in connection with the reconsideration of the navigability of the Lower Salt River. The procedures recommended in the January 13 Memorandum included, in short:

- 1. reopening the record to allow any interested party to submit additional evidence on the new factual and legal issues raised in *Arizona v. ANSAC*;
- 2. holding an additional evidentiary hearing pursuant to A.R.S. § 37-1126;
- 3. abstaining from making a final determination until the Commission has retained new legal counsel and the United States Supreme Court has issued its decision *PPL Montana v. State of Montana* (U.S. No. 10-218, argued Dec. 7, 2011);
- 4. making final determinations at a single public hearing (addressing all six watercourses), preferably at the State Capitol where the Commission's office is located; and
- 5. issuing a revised navigability determination that expressly factors out the effects of pre-statehood diversions.

Freeport believes the foregoing procedures will protect the due process rights of all parties, and ensure compliance with *Arizona v. ANSAC*, in the most efficient manner. Of particular importance, the Commission should ensure that it issues final decisions for all six watercourses at the same time. Doing so will help ensure that any future appeals of the decisions can be handled in a coordinated manner. This will reduce the burdens on, and improve administrative efficiency for, both the Commission and the parties involved in such appeals.

#### II. Substantive Recommendations.

After re-opening the record, the Commission should carefully weigh the evidence already in its record, as well as any new evidence submitted by interested parties. After evaluating all such evidence and conferring with its new legal counsel, the Commission

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will be in a position to issue revised final determinations of navigability for each watercourse.

On the current state of the record, Freeport believes there is a very strong basis for the Commission to issue a revised final determination that the Gila River, in its ordinary and natural condition, was not navigable on February 14, 1912. Such a determination would be supported by the following evidence already in the Commission's record:

- 1. The modern era on the Gila River began in the 1870s, as farming communities began to irrigate fields adjacent to the Gila River. See Exhibit 2, SFC Engineering Co., Arizona Stream Navigability Study for the Upper Gila River and San Francisco River at 3-18, 5-8 (received Sept. 26, 2003) (the "Fuller Report: Upper Gila") (describing early farming, and noting that "the earliest constructed canal in the Safford Valley" was built in 1874).
- 2. Although the River's flow could fluctuate greatly, there were numerous reports of very low water flow on the Gila River prior to significant diversions from the River. See Fuller Report: Upper Gila at 3-24 (stating that, according to an 1859 report, the Gila River "only becomes a respectable river after it receives the water from [the Salt River]"); Exhibit 4, JE Fuller/Hydrology & Geomorphology, Inc., Arizona Stream Navigability Study for the Gila River: Colorado River Confluence to the Town of Safford at IV-1 (received Feb. 20, 2004) (the "Fuller Report: Lower Gila") (stating that, according to a 1775 explorer, the Gila River was at times "dry"); see also Exhibit 17, Jack L. August, Jr., The Lower Gila River: A Non-Navigable Stream on February 14, 1912 at 1, 19 (the "August Report") (noting that, according to a 1911 observer, "one could walk across the river and hardly dampen the shoes" and that, according to an 1891 report, there was a propensity for "sudden floods" during summer rains); Exhibit 12, Douglas R. Littlefield, Assessment of the Navigability of the Gila River Between the Mouth of the Salt River and the Confluence with the Colorado River Prior to and on the Date of Arizona's Statehood, February 14, 1912 at 72 (received Nov. 14, 2005) (the "Littlefield Report) (noting "erratic" water flow).

- 4. Early explorers did not view the Gila River as a navigable waterway. The federal government commissioned no fewer than ten separate surveys of the Gila River area over a nearly fifty year period beginning in the mid-1800s, and the surveyors "all concluded in their field notes and plats that they did not consider the Gila River to be navigable." August Report at 13; Littlefield Report at 23, 55. In 1854 a surveyor wrote, "It is doubtful whether [the Gila River] can ever be navigated, except at its floods, and these are by no means regular." Fuller Report: Upper Gila at 3-14. And in 1879 an explorer submitted a report to Congress that mentioned the Gila River but failed to state that it was navigable, "although navigability was certainly a characteristic [the explorer] would have discussed." Littlefield Report at 90.
- 5. There are several accounts that pre-date modern diversions indicating that the Gila River was not navigable. For example, a member of an 1847 military reconnaissance mission noted, "The Gila becomes so low . . . that a sand-bar forms at its mouth during the summer, and at no times does it supply much water." August Report at 32. A member of the commission charged with reviewing the Gadsden Purchase commented in 1855 that the Gila "is not navigable." Littlefield Report at 108. In 1859 "[o]ne of Arizona Territory's most notable pioneers" described the Gila River but noted that "[t]he Colorado is the only navigable stream" in Arizona and New Mexico. August Report at 33. In 1865 the Arizona Territorial Legislature requested funds for improving the navigability of the Colorado River. See Littlefield Report at

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6. Although local newspapers discussed commerce and waterways, Littlefield Report at 112, there are only seven historical accounts of boating on the Gila River before 1900. Exhibit 18, Accounts of Historical Gila River Boating at 1 (noting, additionally, the operation of two ferries across the river before 1900). "Yet in those instances were boating was attempted, it was reported in the press more for its novelty than for being practicable on a regular and reliable basis." Littlefield Report at 112. Such attempts were most often made using "small, low draft boats," rather than commercial watercraft. Fuller Report: Upper Gila at at 4-8; Littlefield Report at 131. At least one of the boating attempts reported very dangerous boating conditions, see Fuller Report: Upper Gila at 3-28, 4-8, and another ran aground so often it "was forced to jettison a portion of the cargo," Fuller Report: Lower Gila at IV-2; Littlefield Report at 106. "Travel on the river was frequently interrupted due to hazards such as sand bars or snags." Id. at X-1.

Although Freeport does not bear the burden of proof on the issue of navigability, see Arizona v. ANSAC, 224 Ariz. at 238-39, 229 P.3d at 250-51, the evidence cited above, and other evidence in the record, is more than sufficient to support a determination that the Gila River was non-navigable on February 14, 1912 in its ordinary and natural condition.

#### Conclusion III.

For the foregoing reasons, Freeport urges the Commission to follow the procedures suggested above and, at the end of that process, to issue a revised determination finding that Gila River was non-navigable in its ordinary and natural condition.1

By separate memoranda filed simultaneously with this memorandum, Freeport will address the evidence supporting a conclusion that the Santa Cruz, Upper Salt, Verde, and San Pedro Rivers were also non-navigable on February 14, 1912.

#### RESPECTFULLY SUBMITTED this 27th day of January, 2012.

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### **AILING**

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(602) 382-6000	2	
	3	ORIGINAL AND SIX COPIES of the foregoing hand-delivered for filing this
	4	27th day of January, 2012 to:
	5	Arizona Navigable Stream Adjudication Commission 1700 W. Washington, Room B-54
	6	Phoenix, AZ 85007
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