IN THE SUPREME COURT OF THE STATE OF MONTANA No. DA 22-0064

MONTANA ENVIRONMENTAL INFORMATION CENTER and SIERRA CLUB,

Plaintiffs / Appellees,

v.

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY,

Respondent / Appellant,

and

WESTERN ENERGY CO., NATURAL RESOURCE PARTNERS L.P., INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 400, and NORTHERN CHEYENNE COAL MINERS ASSOCIATION,

Respondent-Intervenors / Appellants,

and

MONTANA BOARD OF ENVIRONMENTAL REVIEW

Respondent / Appellant

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY'S PETITION FOR REHEARING

On Appeal from the Montana Sixteenth Judicial District Court, Rosebud County, Cause No. DV 19-34, the Honorable Katherine M. Bidegaray Presiding

APPEARANCES:

Nicholas A. Whitaker
Jeremiah Langston
Staff Attorneys
Department of Environmental Quality
P.O. Box 200901
Helena, Montana 59620-0901
(406) 444-2544
nicholas.whitaker@mt.gov
Jeremiah.langston2@mt.gov

Attorneys for Respondent / Appellant Montana Department of Environmental Quality

Amy D. Christensen
J. Stuart Segrest
Christensen & Prezeau, PLLP
24 W. 6th Ave.
Helena, MT 59601
(406) 442-3690
amy@cplawmt.com
stuart@cplawmt.com

Attorneys for Respondent / Appellant Montana Board of Environmental Review John C. Martin Holland & Hart LLP 645 S. Cache Street, Suite 100 P.O. Box 68 Jackson, Wyoming 83001-0068 (307) 734-4509 jemartin@hollandhart.com

Samuel R. Yemington Holland & Hart LLP 2515 Warren Ave, Suite 450 Cheyenne, WY 82001 (307) 778-4207 syemington@hollandhart.com

Kyle A. Gray Holland & Hart LLP 401 North 31st Street, Suite 1500 P.O. Box 639 Billings, Montana 59103-0639 (406) 252-2166 kgray@hollandhart.com

Attorneys for Intervenor-Respondent / Appellant Westmoreland Rosebud Mining, LLC, et al.

Shiloh Hernandez
Earth Justice
Northern Rockies Office
313 East Main Street
P.O. Box 4743
Bozeman, MT 59772-4743
(406) 426-9649
shernandez@earthjustice.org

Derf Johnson Montana Environmental Information Center 107 W. Lawrence St., #N-6 Helena, MT 59624 (406) 443-2520 djohnson@meic.org

Roger Sullivan McGarvey Law 345 1st Avenue East Kalispell, MT 59901 (406) 752-5566 rsullivan@mcgarveylaw.com

Walton D. Morris, pro hac vice Morris Law Office 1901 Pheasant Lane Charlottesville, VA 22901 wmorris.@fastmail.net

Attorneys for Petitioner / Appellees Montana Environmental Information Center and Sierra Club

INTRODUCTION

Respondent/Appellant Montana Department of Environmental Quality ("DEQ") respectfully requests rehearing of this Court's November 22, 2023, Opinion on the limited issue of whether Petitioner/Appellee Montana Environmental Information Center and Sierra Club (collectively, "MEIC") is entitled to attorney's fees against DEQ for time MEIC spent responding to arguments and filings from Respondent/Appellant's Westmoreland Rosebud Mining, LLC, et al. ("Westmoreland"). See Mont. Env't Info. Ctr. v. Westmoreland Rosebud Mining, LLC, 2023 MT 224, 2023 Mont. LEXIS 1177, 2023 WL 8103553 (Mont. Sup. Ct. Nov. 22, 2023) ("Opinion"). In particular, the Court's Opinion does not address the entirety of the issue raised by DEQ's briefs because the Opinion only addresses instances in which DEQ and MEIC were aligned on issues. See Opinion, ¶ 103. Said differently, the Opinion does not address situations when MEIC's attorney's time was spent in response to Westmoreland's filings, but DEQ and MEIC were not necessarily aligned on the issues.

DEQ's petition qualifies for rehearing under Mont. R. App. P. 20(1)(a)(ii) because this Court's Opinion "overlooked some question presented by counsel that would have proven decisive to the case[.]" This petition also qualifies for rehearing under Mont. R. App. P. 20(1)(a)(iii) because the Opinion does not address *Animal Found. of Great Falls v. Mont. Eighth Judicial Dist. Court*, 2011 MT 289, ¶ 27,

362 Mont. 485, 265 P.3d 659. This case states attorney's fees in Montana do not impose joint and several liability and is, therefore, a "controlling decision not addressed by the supreme court."

BACKGROUND

In its opening brief, DEQ identified the issue of "[w]as the district court's award of \$862,755 in attorney's fees against DEQ reasonable?" DEQ Opening Br. at 3. In addressing this issue, DEQ argued the district court's attorney's fee award was unreasonable because "MEIC never sought any attorney's fees against Westmoreland, yet the record makes clear much of MEIC's time litigating this case was in response to Westmoreland's advocacy." Id. at 62. As one example of how the district court's decision was in error, DEQ identified an instance when DEQ and MEIC were aligned on the issue of opposing Westmoreland's motion to disqualify a member of the Montana Board of Environmental Review, which the district court awarded fees to MEIC against DEQ for its time in opposition to Westmoreland's motion. *Id.* at 62. Demonstrating that this was just one example and not the entirety of the issue raised on appeal regarding MEIC's claimed hours for attorney's fees, DEQ's conclusion paragraph for this section argued "the district court's failure to consider time MEIC spent responding to Westmoreland's filings . . . [was] an abuse of discretion." *Id.* at 65.

In support of its arguments, DEQ cited *Animal Found. of Great Falls* for the proposition that attorney's fees do not impose joint and several liability. *Id.* at 62–63. DEQ continued to raise this issue and cite *Animal Found. of Great Falls* in its reply brief. DEQ Reply Br. at 18–19. This Court's January 18, 2023, order setting this appeal for oral argument did not identify attorney's fees as an issue to be addressed by counsel and DEQ, accordingly, did not address this issue at oral argument.

In its Opinion, this Court noted that the issue raised by DEQ was not limited to instances when DEQ and MEIC were aligned. See Opinion, ¶ 99 (noting DEQ argued that district court erred because "part of the award was for time Conservation Groups billed for litigating against Westmoreland, even though DEQ was aligned with Conservation Groups on some of those issues[.]") (Emphasis added). But this Court's Opinion only explicitly ruled on the reasonableness of attorney's fees when DEQ and MEIC were aligned: "We . . . conclude that it is proper to remand consideration of this issue to the District Court for the purpose of excluding from the attorney fee award any hours billed for work Conservation Groups' attorneys performed in relation to those issues in the litigation on which Conservation Groups and DEQ were aligned against Westmoreland." Opinion, ¶ 103 (emphasis added). In a footnote attached to this conclusion, this Court said

"[w]hether Conservation Groups could recover their *remaining fees*¹ from Westmoreland under § 82-4-251(7), MCA, is not at issue because Conservation Groups did not seek such relief in the District Court." *Id.*, ¶ 103, n.21 (emphasis added).

DISCUSSION

I This Court's opinion does not fully address the issue of whether MEIC may recover attorney's fees from DEQ for time spent responding to Westmoreland's filings and advocacy.

This Court's own framing of the issue shows that DEQ raised a larger issue than what was addressed by this Court's Opinion. See Order, ¶ 99 (noting DEQ argued that district court erred because "part of the award was for time Conservation Groups billed for litigating against Westmoreland, even though DEQ was aligned with Conservation Groups on some of those issues[.]") (Emphasis added). The time that MEIC spent responding to Westmoreland's filings on issues that DEQ and MEIC were aligned on was, accordingly, only a subset of MEIC's time entries challenged by DEQ. To address the entire issue raised by DEQ, this Court would need to address instances in which MEIC was responding to Westmoreland's filings and arguments (notwithstanding MEIC's and DEQ's relative positions on the underlying issue).

¹ This footnote creates further ambiguity regarding the Court's holding because it implies that MEIC has waived the right to recover fees against Westmoreland for time MEIC's spent responding to Westmoreland's advocacy.

A whole host of MEIC's claimed hours fit within this category of fees challenged by DEQ but not addressed by this Court's order. For instance, MEIC's attorneys claimed hours for time spent preparing for a deposition of Anne Hedges, which is a deposition that Westmoreland requested and that DEQ did not participate in. See DEQ's Proposed Order on the Reasonableness of Attorney's Fees, 20 (May 11, 2022). The district court also awarded MEIC attorney's fees against DEQ for time MEIC spent drafting discovery propounded upon—and reviewing discovery from—Westmoreland. *Id.* at 20–21. It's unclear whether these hours would qualify as issues DEQ and MEIC were aligned on. If this Court clarified that MEIC may not recover fees against DEQ for time spent responding to Westmoreland's advocacy and filings, it would be clear that the district court's order erred by awarding MEIC fees against DEQ for time its attorneys spent on discovery matters related to Westmoreland's involvement in the case.

Because this Court has remanded this case "to the District Court for recalculation of the amount of fees consistent with the holdings on this issue herein[,]" Opinion, ¶ 108, this issue is "decisive to the case" and this Court should grant DEQ's petition for rehearing under Mont. R. App. 20(1)(a)(ii) for the limited purpose of clarifying this attorney's fees issue.

II. DEQ raised controlling authority on the relevant issue that this Court's Opinion did not address.

In its opening and answer brief, *see* DEQ Opening Br. at 62; DEQ Reply Br. 19, DEQ cited to *Animal Found. of Great Falls*, ¶ 27, which states "[t]he ultimate award of costs and attorney fees should reflect not joint and several liability, but liability based upon the specific events and the specific conduct of each respondent[.]" In its Opinion, this Court noted "Montana, as a 'primacy' state pursuant to the federal Surface Mine Control Reclamation Act (SMCRA) has jurisdiction over the regulation of coal mining operation and, as such, Montana law applies to this proceeding." Opinion, ¶ 15, n.7. This issue on reasonableness of attorney's fees is, accordingly, governed by Montana law and *Animal Found. of Great Falls*.

DEQ, therefore, requests that this Court grant DEQ's petition for rehearing under Mont. R. App. P. 20 (1)(a)(iii) and address its prior precedent in *Animal Found. of Great Falls*.

CONCLUSION

For the reasons provided above, DEQ respectfully requests this Court grant its petition for rehearing to address the issue of whether it was reasonable for the district court to award MEIC attorney's fees against DEQ for time MEIC spent responding to Westmoreland's filings and advocacy. DEQ also requests this Court

address its prior precedent in *Animal Found. of Great Falls*, \P 27, which bears on this issue.

Respectfully submitted this 7th day of December 2023.

/s/ Jeremiah Langston JEREMIAH LANGSTON

Counsel for Appellant/Respondent Montana Department of Environmental Quality

CERTIFICATE OF COMPLIANCE

Pursuant to Rules 11 and 20 of the Montana Rules of Appellate Procedure, I certify that this principal brief is printed with a proportionately spaced Times New Roman text typeface of 14 points; is double-spaced except for footnotes and for quoted and indented material; and the word count calculated by Microsoft Word for Windows is 1,375 words, excluding table of contents, table of citations, certificate of service, certificate of compliance, or any appendix containing statutes, rules, regulations, and other pertinent matters.

<u>/s/ Jeremiah Langston</u> JEREMIAH LANGSTON

CERTIFICATE OF SERVICE

I, Jeremiah Radford Langston, hereby certify that I have served true and accurate copies of the foregoing Petition - Rehearing to the following on 12-06-2023:

John C. Martin (Attorney)

P.O. Box 68

645 S. Cache Street

Suite 100

Jackson WY 83001

Representing: International Union of Operating Engineers, Local, Natural Resource Partners, L.P.,

Northern Cheyenne Coal Miners Association, Westmoreland Rosebud Mining LLC

Service Method: eService

Samuel R. Yemington (Attorney)

2515 Warren Avenue

Suite 450

P.O. Box 1347

Cheyenne WY 82003-1347

Representing: International Union of Operating Engineers, Local, Natural Resource Partners, L.P.,

Northern Cheyenne Coal Miners Association, Westmoreland Rosebud Mining LLC

Service Method: eService

Kyle Anne Gray (Attorney)

P.O. Box 639

Billings MT 59103

Representing: International Union of Operating Engineers, Local, Natural Resource Partners, L.P.,

Northern Cheyenne Coal Miners Association, Westmoreland Rosebud Mining LLC

Service Method: eService

Amy D. Christensen (Attorney)

The Montana Club Building

24 West 6th Avenue

Suite 501

Helena MT 59601

Representing: Montana Board of Environmental Review

Service Method: eService

Nicholas A. Whitaker (Attorney)

Department of Environmental Quality

Director's Office

1520 E Sixth Avenue

Helena MT 59601

Representing: Environmental Quality, Montana Department of

Service Method: eService

Shiloh Silvan Hernandez (Attorney)

313 East Main Street

PO Box 4743

Bozeman MT 59772

Representing: Montana Environmental Information Center, Sierra Club

Service Method: eService

Roger M. Sullivan (Attorney)

345 1st Avenue E

MT

Kalispell MT 59901

Representing: Montana Environmental Information Center, Sierra Club

Service Method: eService

Derf L. Johnson (Attorney)

PO Box 1184

Helena MT 59624

Representing: Montana Environmental Information Center, Sierra Club

Service Method: eService

Robert L. Sterup (Attorney)

315 North 24th Street

`

Billings MT 59101

Representing: Talen Montana, LLC

Service Method: eService

J. Stuart Segrest (Attorney)

The Montana Club Building

24 West 6th Avenue

Suite 501

Helena MT 59601

Representing: Montana Board of Environmental Review

Service Method: eService

Walton Davis Morris (Attorney)

1901 Pheasant Lane

Charlottesville VA 22901

Representing: Montana Environmental Information Center, Sierra Club

Service Method: Conventional

Electronically Signed By: Jeremiah Radford Langston Dated: 12-06-2023