

SUPREME COURT OF THE STATE OF IDAHO

Laughy v. ConocoPhillips Co., 148 Idaho 504

224 P.3d 119 (2010) · No. 37985 & 37994 · Decided November 1, 2010

SUMMARY

The Idaho Supreme Court held that the district court lacked subject-matter jurisdiction to review the Idaho Transportation Department’s issuance of overlegal permits to ConocoPhillips. The court concluded that the permits were orders issued in a contested case, that the respondents were not parties entitled to seek review, and that no final order existed for purposes of review under the applicable Idaho Administrative Procedure Act provisions. The district court’s decision was vacated and the case was remanded for dismissal.

CASE DETAILS

COURT	Supreme Court of the State of Idaho
WRITING FOR THE COURT	W. Jones, Justice; Eismann, Chief Justice; Horton, Justice; Burdick, Justice
JURISDICTION	Idaho
DECIDED	November 1, 2010
DOCKET	37985 & 37994
DISPOSITION	vacated
PROCEDURAL POSTURE	Plaintiffs sought judicial review and emergency injunctive relief from the Idaho Transportation Department's issuance of overlegal permits to ConocoPhillips. The district court initially found it lacked jurisdiction before the permits issued, later reversed the agency's permit decision after the permits issued, and the Idaho Transportation Department and ConocoPhillips appealed.
STANDARD OF REVIEW	When reviewing a district court acting in its appellate capacity, the Idaho Supreme Court directly reviews the district court's decision. Agency action may be overturned under Idaho Code section 67-5279(3) for specified statutory, constitutional, procedural, evidentiary, or arbitrary-and-capricious grounds, but the challenger must also show prejudice to a substantial right. Statutory interpretation is reviewed freely.
PRECEDENTIAL VALUE	published precedential opinion

PARTIES

Idaho Transportation Department, ConocoPhillips Company v.
Linwood Laughy, Karen Hendrickson, Peter Grubb

TOPICS

judicial review of agency action

administrative law

exhaustion of remedies

subject matter jurisdiction

appellate procedure

PRACTICE AREAS

administrative law

appellate procedure

civil procedure

statutory interpretation

QUESTIONS PRESENTED

1. Whether the district court and the Idaho Supreme Court had jurisdiction to review the ITD permit decision.
2. Whether the respondents exhausted their administrative remedies and were parties entitled to seek judicial review under the Idaho Administrative Procedure Act.
3. Whether the ITD properly granted the overlegal permits.
4. Whether any party was entitled to attorney fees in the district court or on appeal.

HOLDINGS

1. Section 67-5270(2) did not provide jurisdiction because the overlegal permits were orders issued in a contested case, rather than agency action other than an order in a contested case.
2. The ITD proceeding was a contested case even though the agency used informal procedures.
3. Section 67-5270(3) did not provide jurisdiction because respondents were not parties to the agency proceeding and no final agency order had been issued.
4. Because the courts lacked subject-matter jurisdiction, the only available judicial remedy was dismissal without prejudice, not a remand for further agency proceedings.
5. Neither respondents nor ConocoPhillips was entitled to attorney fees under Idaho Code section 12-117(1), and ConocoPhillips was not entitled to fees under section 12-121.

KEY QUOTATIONS

“The decision of the district court is vacated and this case is remanded to the district court for entry of a dismissal.” (at 504)

“This was a contested case even though the ITD only followed informal procedures because the IAPA both authorizes and expressly encourages state agencies to resolve issues informally.” (at 510)

“Without the authority to consider the Respondent's arguments, the Court's only choice is to remand with instructions to dismiss without prejudice.” (at 520)

FACTUAL BACKGROUND

ConocoPhillips sought to transport two oversized coke drums from Lewiston, Idaho, to its Montana refinery over U.S. Highway 12. The shipments required overlegal permits, rolling roadblocks, traffic flaggers, and escort vehicles. Residents and business operators along the route opposed the shipments because of anticipated effects on tourism, residential enjoyment, emergency access, and public safety, but they submitted comments without seeking intervention in the ITD permit process.

PROCEDURAL HISTORY

The respondents filed a petition for judicial review before ITD issued the permits, and the district court temporarily restrained issuance. After ConocoPhillips intervened, the district court lifted the restraining order for lack of a final agency order. ITD then issued four permits, after which the district court reversed the permit decision on the merits. The Idaho Supreme Court held that neither statutory route for judicial review supplied jurisdiction and vacated the district court's decision, remanding for dismissal without prejudice.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The district court's order reversing the ITD's permit decision was vacated. The case was remanded to the district court for entry of an order dismissing the petition without prejudice for lack of jurisdiction. No attorney fees were awarded.

CASES CITED

- *Reisenauer v. State*, 145 Idaho 948, 949, 188 P.3d 890, 891 (2008)
- *Lane Ranch P'ship v. City of Sun Valley*, 145 Idaho 87, 89-90, 175 P.3d 776, 778-79 (2007)
- *Neighbors for Responsible Growth v. Kootenai County*, 147 Idaho 173, 176, 207 P.3d 149, 152 (2009)
- *In re Williams*, 2010 WL 3463992, at *3-4 (Idaho Sept. 7, 2010)
- *Taylor v. Canyon County Board of Commissioners*, 147 Idaho 424, 431-32, 210 P.3d 532, 539-40 (2009)
- *Regan v. Kootenai County*, 140 Idaho 721, 726, 100 P.3d 615, 620 (2004)
- *Gibson v. Ada County Sheriff's Department*, 139 Idaho 5, 7, 72 P.3d 845, 847 (2003)
- *Highlands Development Corp. v. City of Boise*, 145 Idaho 958, 960, 188 P.3d 900, 902 (2008)
- *Westway Construction, Inc. v. Idaho Transportation Department*, 139 Idaho 107, 111-13, 73 P.3d 721, 725-27 (2003)
- *Lochsa Falls, L.L.C. v. State*, 147 Idaho 232, 237, 239, 207 P.3d 970, 968, 977 (2009)
- *Barron v. Idaho Department of Water Resources*, 135 Idaho 414, 417, 18 P.3d 219, 222 (2001)
- *Dupont v. Idaho State Board of Land Commissioners*, 134 Idaho 618, 622, 7 P.3d 1095, 1099 (2000)
- *White v. Bannock County Commissioners*, 139 Idaho 396, 401-02, 80 P.3d 332, 337-38 (2003)
- *Shokal v. Dunn*, 109 Idaho 330, 334, 707 P.2d 441, 445 (1985)

- Smith v. Washington County, No. 35851 (Idaho Oct. 6, 2010)

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