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18 UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

19 THE COUNTY OF SANTA CRUZ,
20 individually and on behalf of THE PEOPLE OF
21 THE STATE OF CALIFORNIA,

22 Plaintiff,

23 vs.

24 CHEVRON CORP., et al.,

25 Defendants.

Case No. 3:18-cv-00450-VC

**PLAINTIFFS’ REPLY IN SUPPORT OF
MOTION TO REMAND; MOTION TO
REMAND IN RESPONSE TO
DEFENDANT MARATHON
PETROLEUM CORP.’S ADDITIONAL
NOTICE OF REMOVAL**

Date: April 4, 2018
Time: 10:00 a.m.
Courtroom: 4, 17th Floor
Judge: Hon. Vince Chhabria

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28 PLS.’ REPLY IN SUPPORT OF MOT. TO REMAND; CASE NOS. 18-CV-00450; 18-CV-00458; 18-CV-00732

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THE CITY OF SANTA CRUZ, a municipal corporation, individually and on behalf of THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

CHEVRON CORP., et al.

Defendants.

Case No. 3:18-cv-00458-VC

THE CITY OF RICHMOND, a municipal corporation, individually and on behalf of THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

CHEVRON CORP., et al.,

Defendants.

Case No. 3:18-cv-00732-VC

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1 **I. INTRODUCTION**

2 Plaintiffs County of Santa Cruz, City of Santa Cruz, and City of Richmond, individually
 3 and on behalf of the People of the State of California, submit this brief to respond to:
 4 (1) Defendants' Joint Opposition to Remand ("Opposition" or "Opp."), and (2) the new grounds
 5 for removal asserted by Defendant Marathon Petroleum Corp.¹

6 As the Court held in the related cases (hereinafter, the "San Mateo Cases"), Plaintiffs'
 7 claims here do not fit "within one of a small handful of small boxes" that create removal
 8 jurisdiction, and remand to state court is required. *See* Order Granting Motions to Remand at 5,
 9 *County of San Mateo v. Chevron Corp.*, et al., Case No. 3:17-cv-04929-VC ("*San Mateo*"), ECF
 10 No. 223 (Mar. 16, 2018); *City of Imperial Beach v. Chevron Corp.*, et al., Case No. 3:17-cv-04934-
 11 VC ("*Imperial Beach*"), ECF No. 207 (Mar. 16, 2018); and *County of Marin v. Chevron Corp.*, et
 12 al., Case No. 3:17-cv-04935-VC ("*Marin*"), ECF No. 208 (Mar. 16, 2018). Defendants'
 13 Opposition does not alter the result, and merely reargues their previous positions. Based on Judge
 14 Alsup's recent order in *California v. BP P.L.C.*, et al., No. 17-cv-6011, ECF No. 134, at 3 (N.D.
 15 Cal. Feb. 27, 2018) ("*BP Order*"), Defendants renew their contention that although Plaintiffs
 16 pleaded exclusively California state law claims, they are "governed by federal common law." Opp.
 17 at 1. The Court has correctly ruled, however, that they are not. *See San Mateo* ECF No. 223 at 3.
 18 The *BP Order* erred by accepting a preemption defense not properly before the court as a basis for
 19 jurisdiction, and did not apply the exclusive test required by the U.S. Supreme Court for
 20 determining if federal question jurisdiction lies over a well-pleaded state law complaint. Under
 21 that test, removal is proper only when a "a state-law claim necessarily raise[s] a stated federal
 22 issue, actually disputed and substantial, which a federal forum may entertain without disturbing
 23 any congressionally approved balance of federal and state judicial responsibilities." *See Grable &*

24
 25
 26 ¹ The parties have agreed that this brief shall serve as Plaintiffs' reply in support of their original
 27 remand motion and Plaintiffs' motion to remand in response to Marathon's Additional Notice of
 28 Removal. *See Richmond*, Case No. 3:18-cv-00732-VC, ECF No. 95 (Mar. 15, 2018); *County of*
Santa Cruz, Case No. 3:18-cv-00450-VC, ECF No. 108 (Mar. 15, 2018); *City of Santa Cruz*, Case
 No. 3:18-cv-00458-VC, ECF No. 107 (Mar. 15, 2018). No additional remand briefing is
 anticipated absent Court order.

1 *Sons Metal Prods., Inc. v. Darue Eng'g & Mfg.*, 545 U.S. 308, 314 (2005).

2 Except in the rare circumstance described in *Grable*, there can be no federal question
 3 jurisdiction over a complaint that on its face alleges exclusively state law claims, even if those
 4 claims are arguably preempted by federal law or otherwise subject to a potential federal defense.
 5 *See, e.g., Provincial Gov't of Marinduque v. Placer Dome, Inc.*, 582 F.3d 1083 (9th Cir. 2009)
 6 (federal question jurisdiction must satisfy both well-pleaded complaint rule and present a “federal
 7 issue embedded in state-law claims that meets the test set forth in *Grable*.”). The Complaints
 8 before this Court include no federal issue, “embedded” or otherwise. Plaintiffs’ right to relief arises
 9 under California state law without reference to any provision of the U.S. Constitution, federal
 10 statute, federal regulation, or exclusively federal duty. The Court has correctly ruled there is no
 11 basis to remove these cases under *Grable*. *San Mateo* ECF No. 223 at 3–4.

12 Defendants’ “new” arguments equally lack merit. Marathon’s proffered “navigable waters”
 13 ground for removal (which the other Defendants now belatedly adopt) fails for the same reason
 14 that Defendants’ federal rule of decision ground fails; it confuses a potential federal preemption
 15 defense (which cannot support removal) with an essential element of Plaintiffs’ affirmative claims
 16 (which is the exclusive focus of federal-question removal). Marathon’s assertion of admiralty
 17 jurisdiction also fails, because no “vessel” caused the land-based injuries that Plaintiffs allege, and
 18 because the conduct at issue bears no resemblance to any traditional maritime activity. Besides,
 19 the “saving to suitors” clause of 28 U.S.C. § 1333 would preserve Plaintiffs’ choice of a state
 20 forum even if there were some basis for asserting admiralty jurisdiction.

21 **II. ARGUMENT**

22 **A. Plaintiffs’ State Law Claims Do Not Arise Under Federal Common Law.**

23 **1. Well-Pleaded State Law Claims Only Arise Under Federal 24 Law If They Satisfy *Grable*’s Four-Part Test.**

25 The Court’s finding in the *San Mateo* Cases that removal is not “warranted on the basis of
 26 *Grable* jurisdiction,” *see San Mateo* ECF No. 133 at 3, is correct, and holds for Plaintiffs’
 27 Complaints here as well. The narrow category of cases removable under *Grable* is limited to cases
 28 where plaintiffs’ otherwise well-pleaded state law claims “necessarily raise a stated federal issue,

1 actually disputed and substantial, which a federal forum may entertain without disturbing any
2 congressionally approved balance of federal and state judicial responsibilities.” 545 U.S. at 314.²

3 For *Grable*’s narrow jurisdictional ground to apply, it is not enough that federal law will
4 likely, or even inevitably, be raised as an affirmative defense. *See, e.g., California Shock Trauma*
5 *Air Rescue v. State Comp. Ins. Fund*, 636 F.3d 538, 541–42 (9th Cir. 2011) (because a potential
6 “preemption issue cannot satisfy the well-pleaded complaint rule, there is no basis for federal
7 question jurisdiction”). Otherwise, this special category would eviscerate the basic jurisdictional
8 rule that plaintiff’s *complaint* must state a federal question. Nor is it enough that federal law
9 provides the required content for a state-law rule, as for example a state-law negligence or unfair
10 business practices claim based on a predicate violation of federal law. *See, e.g., Grable*, 545 U.S.
11 at 318–19, citing *Merrell Dow Pharm. Inc. v. Thompson*, 478 U.S. 804, 811–12 (1986). Rather, to
12 justify removal based on *Grable*, the federal question must be substantial, unavoidable, and must
13 comprise “a necessary element of one of the well-pleaded state claims.” *Franchise Tax Bd. of State*
14 *of Cal. v. Constr. Laborers Vacation Tr. for S. California*, 463 U.S. 1, 13 (1983); *see also San*
15 *Mateo* Memo. of Points & Auths. In Support of Motion to Remand, ECF No. 157 (“*San Mateo*
16 *Mot. to Remand*”), at 21–26.

17 The well-pleaded complaint rule remains the “basic principle marking the boundaries of
18 the federal question jurisdiction of the federal district courts.” *Metro. Life Ins. Co. v. Taylor*, 481
19 U.S. 58, 63 (1987). Therefore, as summarized by the Ninth Circuit:

20 [T]o bring a case within the federal-question removal statute, a right or immunity
21 created by the Constitution or laws of the United States must be an element, and an
22 essential one, of the plaintiff’s cause of action. . . . That is, the presence or absence
23 of federal-question jurisdiction is governed by the “well-pleaded complaint rule,”
24 which provides that federal jurisdiction exists only when a federal question is

24 ² The narrow exception for claims subject to “complete preemption” applies only to those
25 “extraordinary” situations in which Congress by statute (*see* Section 502(a) of ERISA, Section 301
26 of the LMRA, and the National Bank Act) has expressly vested federal courts with exclusive
27 jurisdiction over a particular claim or group of claims. For the reasons plaintiffs have earlier stated,
28 no such complete preemption exists here. As the Court correctly noted in the *San Mateo* Cases,
“[t]he defendants do not point to any applicable statutory provision that involves complete
preemption,” and removal is not “warranted under the doctrine of complete preemption.” *See San*
Mateo ECF No. 223 at 3.

1 presented on the face of the plaintiff's properly pleaded complaint. . . . A defense
2 is not part of a plaintiff's properly pleaded statement of his or her claim. . . .
3 Alternatively, the complaint must raise a federal issue embedded in state-law
claims that meets the test set forth in *Grable*.

4 *Placer Dome*, 582 F.3d at 1091 (punctuation omitted) (citing *Rivet v. Regions Bank of Louisiana*,
5 522 U.S. 470, 475 (1998)). The test applies whether the asserted "embedded" federal issue is
6 statutory or based in federal common law. *See Placer Dome*, 582 F.3d at 1086 (finding no
7 jurisdiction under *Grable* where removal based on "federal common law of foreign relations").

8 The *BP* Order concluded that claims "brought under federal common law" are removable,
9 and that "the well-pleaded complaint rule does not bar removal" where plaintiffs' claims
10 "necessarily arise under federal common law." *BP* Order at 3, 7 (citing *Illinois v. City of*
11 *Milwaukee*, 406 U.S. 91 (1972) ("*Milwaukee I*"), and *Wayne v. DHL Worldwide Express*, 294 F.3d
12 1179, 1184 (9th Cir. 2002)). The court thus bypassed the required threshold inquiry into whether
13 plaintiffs had actually pleaded a federal claim or whether a federal question was an implicit and
14 unavoidable element of the plaintiffs' well-pleaded state law claims within the meaning of *Grable*,
15 by deciding a federal preemption issue not properly before the court.

16 Since *Erie R. Co. v. Tompkins*, 304 U.S. 64 (1938), it has been settled that in the absence
17 of federal constitutional or statutory authorization, there is no "general" federal common law, and
18 "[e]xcept in matters governed by the Federal Constitution or by Acts of Congress, the law to be
19 applied in any case is the law of the State." *Id.* That principle is of particular importance where the
20 historic police powers of the state are at issue, as here, and can only be overcome where the
21 legislative or constitutional authority is "clear and manifest." *See, e.g., Puerto Rico Dep't of*
22 *Consumer Affairs v. Isla Petroleum Corp.*, 485 U.S. 495, 500 (1988).

23 Plaintiffs' claims for relief rest entirely upon California law. Federal law, whether asserted
24 as a preemption defense or otherwise, does not form a necessary element of *any* of Plaintiffs'
25 claims. As already discussed in the San Mateo Cases' briefing, Defendants' wrongful promotion
26 and marketing of defective fossil fuel products, despite knowledge of their dangers, form well-
27 established bases for liability under California law. *See San Mateo* Mot. to Remand at 20–30; *San*
28 *Mateo* Reply to Defendants' Joint Opposition to Plaintiffs' Motion to Remand, ECF No. 203 ("*San*

1 *Mateo Reply*”), at 11–24. As a result, this Court has no basis for asserting federal question
2 jurisdiction over this state law action, and these cases should be remanded to state court.

3 Neither *Milwaukee I* nor *Wayne* (the two cases cited in the *BP Order*) speak to federal
4 question removal jurisdiction, and neither supplants the Supreme Court’s test articulated more
5 recently in *Grable* (or the Ninth Circuit’s application of *Grable* in *Placer Dome*). *Milwaukee I*
6 involved a claim brought under the original jurisdiction of the Supreme Court, which was expressly
7 pleaded under the federal common law of nuisance and did not involve any removal issue. *See*
8 *Milwaukee I*, 406 U.S. at 93. In *Wayne*, which the Ninth Circuit decided several years before
9 *Grable*, the court stated that “[f]ederal jurisdiction would exist in this case if the claims arise under
10 federal common law,” but found the claims did not arise under the federal common law of common
11 carrier liability. 294 F.3d at 1185. The Ninth Circuit, of course, has since clarified that the way to
12 determine whether well-pleaded state law “claims arise under federal common law” is to ask
13 whether those claims “meet[] the test set forth in *Grable*.” *Placer Dome*, 582 F.3d at 1091.
14 Because Plaintiffs’ claims do not meet that test, remand is required.

15 2. Plaintiffs’ State Law Claims Are Not “Governed By” Federal 16 Common Law.

17 The Court correctly held in the San Mateo Cases that “federal law does not govern the
18 plaintiffs’ claims” and that “these cases should not be removed on the basis of federal common
19 law that no longer exists” in light of *American Electric Power Co. v. Connecticut*, 564 U.S. 410
20 (2011) (“*AEP*”), and *Native Village of Kivalina v. ExxonMobil Corp.*, 696 F.3d 849 (9th Cir. 2012),
21 *cert. denied*, 133 S. Ct. 2390 (2013) (“*Kivalina*”). Moreover, even if the *BP* court were correct that
22 some federal common law survives under the Clean Air Act, it would not encompass Plaintiffs’
23 claims concerning Defendants’ wrongful promotion and marketing of defective fossil fuel
24 products, and their failures to warn of known dangers of unabated use of those products. Plaintiffs’
25 Claims do not raise any “uniquely federal interest,” let alone an interest that conflicts with
26 California’s in protecting its cities, counties, and residents from the California-specific
27 consequences of that tortious conduct. *See, e.g., San Mateo Reply* at 6–11. Indeed, the courts
28 have rejected attempts to expand federal common law to sellers of products based on assertions

1 that disputes over the consequences of the product’s use “may transcend state lines,” may implicate
2 difficult or contentious issues of public policy or science, and/or may implicate foreign economies
3 or foreign policy. *See, e.g., Jackson v. Johns-Manville Sales Corp.*, 750 F.2d 1314, 1324 (5th Cir.
4 1985); *In re Agent Orange Prod. Liab. Litig.*, 635 F.2d 987 (2d Cir. 1980); *Patrickson v. Dole*
5 *Food Co.*, 251 F.3d 795 (9th Cir. 2001).

6 In *Jackson*, the Fifth Circuit held that state law claims could proceed against manufacturers
7 of asbestos, notwithstanding that asbestos-related injuries were “a national problem of immense
8 proportions” that had already spurred personal injury lawsuits throughout the country. 750 F.2d at
9 1323–25. The court reasoned that “a dispute over a common fund or scarce resources cannot
10 become ‘interstate,’ in the sense of requiring the application of federal common law, merely
11 because the conflict is not confined within the boundaries of a single state.” *Id.* at 1324. The Ninth
12 Circuit subsequently relied on *Jackson*, when it concluded that there was no basis for creating a
13 federal common law standard for determining eligibility for attorneys’ fees under the substantial
14 benefit doctrine, even though that doctrine rested upon overlapping state and federal statutory
15 rights. *See Sederquist v. Court*, 861 F.2d 554, 556 (9th Cir. 1988).

16 There is no reason why state law and federal regulation cannot coexist and supplement
17 each other where, as here, a manufacturer or seller of a product promotes and markets its product
18 in a manner that causes identifiable localized harms. *See San Mateo Reply* at 7–8. The Ninth
19 Circuit has already recognized the State of California’s interest and role in mitigating climate
20 change apart from and in addition to the federal government efforts. *See Rocky Mountain Farmers*
21 *Union v. Corey*, 730 F.3d 1070, 1093 (9th Cir. 2013) (upholding California’s global warming law,
22 which regulated fossil fuels sold in interstate commerce). Even Defendants concede that global
23 warming does not itself implicate “uniquely federal interests.” *Opp.* at 7, n.6 (California “plainly
24 does” have an interest in preventing harm from global warming).

25 Moreover, the sale and combustion of fossil fuels products both domestically and outside
26 of the United States does not preclude application of state law for the in-state injuries they cause.
27 The Second Circuit confirmed that principle in *In re Agent Orange*, in which it held that state law,
28 not federal common law, governed a class action brought against the manufacturers of Agent

1 Orange by millions of members of the U.S. Armed Forces who had served in Vietnam. 635 F.2d
2 at 994–95. Even though the exposure to Agent Orange occurred exclusively in Vietnam, *id.* at 989,
3 and despite the “obvious” federal interest in veterans’ welfare, the Second Circuit held:

4 [T]here is no federal interest in uniformity for its own sake. . . . The fact that
5 application of state law may produce a variety of results is of no moment. It is in
6 the nature of a federal system that different states will apply different rules of law,
7 based on their individual perceptions of what is in the best interests of their citizens.
That alone is not grounds in private litigation for judicially creating an overriding
federal law.

8 *Id.* at 994.

9 Nor does the *BP* Court’s concern about “the relationships between the United States and
10 all other nations,” *BP* Order at 8, support federal court jurisdiction. For example, in *Patrickson*,
11 251 F.3d at 801–05, a case involving state tort claims asserted against multinational fruit and
12 chemical companies for pesticide exposures suffered overseas, the Ninth Circuit rejected an
13 attempted removal based on the “uniquely federal” interest in foreign relations and potential
14 interference with the economies of Latin American nations. The court noted that the complaints
15 alleged no participation by any foreign government, *id.* at 800, and concluded “if federal courts
16 are so much better suited than state courts for handling cases that might raise foreign policy
17 concerns, Congress will surely pass a statute giving us that jurisdiction.” *Id.* at 804; *accord Placer*
18 *Dome*, 582 F.3d at 1089, 1091 (removal improper under *Grable* because foreign relations
19 “implicated here only defensively”).

20 In *National Audubon Society v. Department of Water*, 869 F.2d 1196 (9th Cir. 1988), the
21 Ninth Circuit emphasized that Congress never authorized courts to develop a federal common law
22 of air or water pollution, and that in the absence of “uniquely federal interests” based on such
23 “narrow areas as those concerned with the rights and obligations of the United States, interstate
24 and international disputes implicating the conflicting rights of states or our relations with foreign
25 nations, and admiralty cases,” federal common law *cannot* be created to serve as the governing
26 rule of decision. *Id.* at 1202 (quoting *Texas Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630,
27 640–41 (1981)). To expand the scope of federal common law to apply to manufacturers and sellers
28 of a product based solely upon their wrongful marketing and promotion of that product—which is

1 what *this* case is all about—would extend federal common law far beyond any uniquely federal
2 interest and improperly encroach upon the states’ historic police power interest in protecting the
3 health and safety of their residents.

4 **3. The Viability of Plaintiffs’ State Law Claims Raises Ordinary**
5 **Questions of Federal Preemption.**

6 As the Court has held, whether Plaintiffs’ state-law claims are preempted by some body of
7 federal law is “for the state courts to decide upon remand.” *San Mateo* ECF No. 223 at 3. Whether
8 a federal statute permits disputes potentially within its ambit to be decided as a matter of state law
9 raises an ordinary question of federal preemption that state courts are well-equipped to handle. *See*
10 *San Mateo* Reply at 5–6. Indeed, the Supreme Court has long held, “[b]y unimpeachable authority,
11 a suit brought upon a state [law] does not arise under an act of Congress or the Constitution of the
12 United States because prohibited thereby.” *Gully v. First Nat. Bank*, 299 U.S. 109, 116 (1936).

13 By mischaracterizing Plaintiffs’ state law claims as necessarily federal in nature,
14 Defendants conflate the substantive preemption issue that should be decided on remand with the
15 threshold jurisdictional issue now before this Court. Defendants assert that *AEP* and *Kivalina*
16 created a new “two-part test” that asks first “whether, given the nature of the acts alleged, federal
17 law governs the claims and second whether Plaintiffs have state claims upon which relief may be
18 granted.” Opp. at 4. But Defendants misconstrue the nature of the courts’ inquiry by disregarding
19 the context in which those cases arose. The only reason *Kivalina* posed a “threshold” question
20 whether plaintiffs stated viable claims under federal common law was because *plaintiffs had*
21 *pleaded federal common law claims*. The issue before the court was not whether the federal court
22 had federal question jurisdiction over a claim pleaded under federal common law (which it
23 obviously did), but whether plaintiffs had stated a valid federal claim given the potential
24 displacement of plaintiffs’ claim by the Clean Air Act—“an issue-specific inquiry.” *See Kivalina*,
25 696 F.3d at 855–56. Similarly, in *AEP*, the plaintiffs invoked federal common law as their basis
26 for their claims. 564 U.S. at 415.

1 Plaintiffs here stand in stark contrast. As masters of their own complaints, they have
 2 pleaded exclusively state law claims.³ Neither *AEP* nor *Kivalina* considered whether or when a
 3 state law claim arises under federal common law, and neither case purported to create a
 4 jurisdictional test for determining when state law claims are properly removed to federal court.
 5 The governing test for deciding *that* question is set forth in *Grable*; and as previously shown,
 6 Plaintiffs' claims were not properly removed under *Grable* because, among other reasons, no
 7 federal question is both a necessary and substantial element of their well-pleaded state law claims.
 8 *See Franchise Tax Bd.*, 463 U.S. at 13.⁴

9 The cases Defendants cite, *Opp.* at 7, do not support removal either. Each was decided
 10 before *Grable*, none held that statutory displacement of federal common law claims renders state
 11 law claims removable, and most did not consider any issue of removal jurisdiction at all. *See*
 12 *Milwaukee I*, 406 U.S. at 107 (earlier version of Water Pollution Control Act did not preempt
 13 federal common law claims; no issue of removal jurisdiction);⁵ *Nat'l Farmers Union Ins. Co. v.*
 14 *Crow Tribe of Indians*, 471 U.S. 845, 853 (1985) (federal question jurisdiction present where
 15 federal law defined boundaries of tribe's power to assert claim against non-Indian); *New SD, Inc.*
 16 *v. Rockwell Int'l Corp.*, 79 F.3d 953, 955 (9th Cir. 1996) (contract dispute implicating national
 17 security issues raise substantial question of federal law warranting removal).⁶ Indeed, the Ninth
 18

19 ³ For that reason, Defendants' reliance on *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83
 20 (1998), is misplaced. The issue in *Steel Co.* was whether a federal statutory requirement under the
 21 Emergency Planning and Community Right to Know Act (EPCRA) was jurisdictional, *id.* at 89,
 and no state law claims were pleaded.

22 ⁴ Defendants' only explanation for characterizing Plaintiffs' state law claims as federal is that
 23 "disputes about global climate change are inherently federal in nature." *Opp.* at 5. Defendants offer
 24 no meaningful rebuttal to Plaintiffs' showing that many issues concerning global warming are *not*
 inherently federal and that a broad range of issues concerning greenhouse gas emissions have been
 extensively, and appropriately, regulated as a matter of state law. *See San Mateo Reply* at 7.

25 ⁵ In *City of Milwaukee v. Illinois*, 451 U.S. 304, 313 (1981) ("*Milwaukee II*"), the Supreme Court
 26 held that the plaintiff's claims pled under federal common law were displaced by amendments to
 the Clean Water Act, but did not consider any jurisdictional question or state law claim.

27 ⁶ *New SD* has been heavily criticized in light of *Grable*. *See Babcock Servs., Inc. v. CH2M Hill*
 28 *Plateau Remediation Co.*, No. 13-CV-5093-TOR, 2013 WL 5724465, at *4 (E.D. Wash. Oct. 21,
 2013) (premise of *New SD* "no longer sound" after *Grable* and *Empire Healthchoice Assur., Inc.*
v. McVeigh, 547 U.S. 677, 700–01 (2006)).

1 Circuit has clarified since *Grable* that “[w]hen a claim can be supported by alternative and
 2 independent theories—one of which is a state law theory and one of which is a federal law theory—
 3 federal question jurisdiction does not attach because federal law is not a necessary element of the
 4 claim.” *Nevada v. Bank of Am. Corp.*, 672 F.3d 661, 675 (9th Cir. 2012). Plaintiffs’ independent
 5 state law theories do not involve federal law as essential elements, either on their face or otherwise.

6 *AEP* and *Kivalina* are instructive not for how they dealt with the plaintiffs’ federal law
 7 claims, but how they addressed plaintiffs’ supplemental state law claims. In *AEP*, the Court did
 8 not find those state law claims to be necessarily federal in character, but instead left the validity of
 9 plaintiffs’ state law nuisance claim to be determined on remand. *AEP*, 564 U.S. at 429. Similarly,
 10 in *Kivalina*, the district court declined to exercise supplemental jurisdiction over plaintiffs’ state
 11 law claims and dismissed them without prejudice to plaintiffs refiling those claims in state court;
 12 it did *not* hold that those state law claims were transformed into federal law claims. *Kivalina*, 696
 13 F.3d at 854–55, 859. As these cases confirm, when a federal common law claim has been displaced
 14 by federal statute, “the availability *vel non* of a state lawsuit depends, *inter alia*, on the preemptive
 15 effect of the federal Act,” which is an issue to be decided on remand, not as a matter of applying
 16 federal question jurisdiction. *AEP*, 564 U.S. at 429.⁷

17
 18 **B. Defendants’ *Grable* Theories Concerning “National Cost-Benefit
 Analysis” and “Navigable Waters” Are Meritless.**

19 Just as in the San Mateo Cases, “[t]he defendants have not pointed to a specific issue of
 20 federal law that must necessarily be resolved to adjudicate the state law claims” alleged in
 21 Plaintiffs’ Complaints, and removal is not “warranted on the basis of *Grable* jurisdiction.” They
 22 instead “mostly gesture to federal law and federal concerns in a generalized way.” *San Mateo* ECF
 23 223 at 3–4. Their *Grable* analysis therefore fails at the very first step, and the arguments raised in
 24 their Joint Opposition here do not alter the analysis or result.

25
 26
 27 ⁷ Defendants’ remaining points rehash the ordinary preemption arguments discussed at length in
 28 the briefing in the San Mateo Cases. *San Mateo* Opp. at 6–7. Defendants raise no new argument,
 but continue to rely *Int’l Paper Co. v. Ouellette*, 479 U.S. 481 (1987), a preemption case.

1 **1. Plaintiffs’ Claims Arise Entirely Under California Law, and**
2 **Defendants’ “National Cost-Benefit Analysis” Argument**
3 **Presents at Most a Federal Preemption Defense.**

4 California law creates and defines the elements of Plaintiffs’ claims. While Defendants
5 continue to speculate that adjudication of those claims will interfere with federal regulators’ ability
6 to perform their jobs, Defendants do *not* contend that federal regulations are the source of
7 Plaintiffs’ right to relief. The Court correctly held in the San Mateo Cases that “even if deciding
8 [the plaintiffs’] nuisance claims were to involve a weighing of costs and benefits, and even if the
9 weighing were to implicate the defendants’ dual obligations under federal and state law, that would
10 not be enough to invoke *Grable* jurisdiction.” *San Mateo* ECF 223 at 4. The same obtains here.

11 **a. No Federal Regulatory Cost-Benefit Analysis Is an Essential**
12 **Element of Any of Plaintiffs’ Claims.**

13 Defendants’ arguments fail at the outset because they cannot identify any substantial
14 question of federal law that is a necessary element of Plaintiffs’ well-pleaded state law claims.
15 Plaintiffs’ entitlement to relief is entirely determined by well-defined California public nuisance
16 and tort law. *See San Mateo* Mot. to Remand at 21–26; *San Mateo* Reply at 12–21. Defendants do
17 not contend otherwise. To the contrary, Defendants’ entire argument rests on substantive elements
18 they assert are “required as a matter of *California law*” to be proven in nuisance actions generally.
19 *See Opp.* at 9 (emphasis added).

20 Defendants acknowledge that California cases, California jury instructions, and sections of
21 the Restatement (Second) of Torts as applied in California, define the elements of the state law
22 claims that they contend Plaintiffs are required to prove. *See generally id.* at 8–11. Although
23 Defendants continue to assert that Plaintiffs’ claims implicate “substantial federal interests,” Santa
24 Cruz Opp. at 10, n.8, they still have not identified any federal statute, regulation, rule, or any other
25 federal issue that is an essential element of Plaintiffs’ claims. That should be the end of the matter,
26 because where a plaintiff’s claims “are based entirely on California causes of action . . . , each of
27 which does not, on its face, turn on a federal issue,” the mere invocation of “significant federal
28

1 issues” does not satisfy *Grable*’s first element and does not create federal question jurisdiction.
 2 *California Shock Trauma*, 636 F.3d at 542–43.⁸

3 **b. Defendants’ Arguments Present, at Most, a Conflict Preemption**
 4 **Defense for Consideration on Remand.**

5 Defendants mistakenly assert that the California courts’ common law nuisance analysis
 6 would be “indistinguishable from the balancing conducted by the Secretary of Energy” under 42
 7 U.S.C. § 13384. Opp. at 11. But even if that were true, any overlap (or conflict) between state-law
 8 and federal-regulatory analysis raises at most a possible conflict preemption defense. The Supreme
 9 Court in *Grable* and the Ninth Circuit in its post-*Grable* cases could not have been clearer that
 10 “preemption that stems from a conflict between federal and state law is a defense to a state law
 11 cause of action and, therefore, does not confer federal jurisdiction over the case.” *ARCO Envtl.*
 12 *Remediation, L.L.C. v. Dep’t of Health & Envtl. Quality of Montana*, 213 F.3d 1108, 1114 (9th
 13 Cir. 2000); *see also San Mateo* Mot. to Remand at 12–13, 30 & nn. 6, 7 (collecting cases).

14 There is a material difference between the regulatory balancing analysis required under
 15 certain federal statutes and the determination of “unreasonableness” under California nuisance law
 16 and the Restatement (Second) of Torts. The “primary” (but non-exclusive) test for
 17 unreasonableness asks “whether the gravity of the harm outweighs the social utility of the
 18 defendant’s conduct, taking a number of factors into account” based on the specific tortious
 19 conduct committed and the specific rights invaded. *See Wilson v. S. Cal. Edison Co.*, 234 Cal. App.
 20

21 ⁸ Many cases cited in the San Mateo Cases’ briefing hold that there is no “arising under”
 22 jurisdiction where state law creates the right to relief, even if the state court may encounter weighty
 23 federal issues in the course of the litigation. *See, e.g., Williston Basin Interstate Pipeline Co. v. An*
 24 *Exclusive Gas Storage Leasehold*, 524 F.3d 1090, 1102 (9th Cir. 2008) (no “arising under”
 25 jurisdiction for state tort claims brought by natural gas pipeline operator alleging unlawful drainage
 26 of natural gas from underground formation, “because no provision of the [federal Natural Gas Act]
 27 constitutes an essential element of those claims”); *Bennett v. Sw. Airlines Co.*, 484 F.3d 907, 912
 28 (7th Cir. 2007) (reversing denial of remand in personal injury case stemming from airline crash;
 despite extensive federal regulation of air travel, the fact “that some standards of care used in tort
 litigation come from federal law does not make the tort claim one ‘arising under’ federal law”);
Oregon ex rel. Kroger v. Johnson & Johnson, 832 F. Supp. 2d 1250 (D. Or. 2011); *In re Roundup*
Prod. Liab. Litig., No. 16-MD-02741-VC, 2017 WL 3129098 (N.D. Cal. July 5, 2017); *see also*
San Mateo Mot. to Remand at 21–23 & n.11 (collecting cases).

1 4th 123, 161 (2015) (citing Rest. 2d Torts, §§ 826–831).⁹ Regulatory balancing is prospective in
 2 nature and has little concern for injuries already sustained for conduct already completed. *See, e.g.,*
 3 *Freeman v. Grain Processing Corp.*, 848 N.W.2d 58, 69 (Iowa 2014) (explaining differences).
 4 Thus, there is no reason a California court applying California common law would have to
 5 “determine that every federal agency that has concluded the benefits of fossil fuels outweigh the
 6 harms was wrong.” *See Opp.* at 11. Even if that were true, it would represent at most a conflict
 7 preemption defense, not a basis for removal jurisdiction. *See ARCO*, 213 F.3d at 1114.

8 **2. Federal Oversight of Navigable Waters Does Not Confer *Grable***
 9 **Jurisdiction Here.**

10 Defendants’ attempts to re-cast Plaintiffs’ Complaints as an attack on a laundry list of
 11 federal statutes, regulations, and activities related to navigable waters also fails to confer *Grable*
 12 jurisdiction. Defendants suggest, with no supporting detail and only inaccurate, misleading
 13 citations to the Complaints, that there are three ways Plaintiffs’ claims might involve the navigable
 14 waters of the United States. None of these speculative assertions satisfies the *Grable* test.

15 First, the Complaints do not make any “collateral attack on a federal regulatory scheme.”
 16 *Marathon Not. of Rem.* ¶¶ 11–19. None of Plaintiffs’ claims challenge, or seek to modify or evade,
 17 any federal rule of navigation or navigable-water protection; Plaintiffs seek only damages,
 18 abatement, and disgorgement for Defendants’ tortious conduct. *See, e.g., Richmond Compl.,*
 19 *Prayer.*¹⁰ Nor would a state court be required to administer or modify any federal flood control

21 ⁹ The *Wilson* court ordered that on remand the jury be instructed to consider site- and party-specific
 22 factors, including “whether the harm involved a loss from the destruction or impairment of
 23 physical things she was using, or personal discomfort or annoyance,” “[t]he value society places
 24 on the type of use or enjoyment invaded,” and “[t]he suitability of the conduct that caused the
 25 interference to the character of the locality.” 234 Cal. App. 4th at 163–64. Notably, the court
 26 reversed and remanded in part because the trial court failed to instruct the jury on “alternate tests
 27 to determine when an intentional invasion is unreasonable” under Restatement sections 829
 28 through 831, which do not involve balancing the relative social values of the defendants’ conduct
 and the plaintiff’s injury. *Id.* at 162.

¹⁰ As already discussed in the San Mateo Cases briefing, the case law previously cited by
 Defendants is inapposite. The plaintiffs in *Board of Commissioners v. Tennessee Gas Pipeline Co.,*
L.L.C., 850 F.3d 714, 722–24 (5th Cir. 2017), alleged a breach of duty that did not exist under state
 law and could only arise from federal law. The plaintiff in *Pet Quarters, Inc. v. Depository Trust*

1 regulation, or revisit any previous U.S. Army Corps of Engineers (“USACE”) permitting decisions
 2 in formulating an appropriate remedy when Plaintiffs prevail, Marathon Not. of Rem. ¶¶ 16, *id.*
 3 ¶ 17, because California law creates Plaintiffs’ right to relief. The Complaints do not require any
 4 analysis of whether Defendants’ conduct (either as alleged in the Complaint or otherwise) violated
 5 the Clean Water Act or Rivers and Harbors Act either, because proof of federal statutory violations
 6 is not an element of any of Plaintiffs’ claims (which rest on allegations that Defendants engaged
 7 in improper promotion and marketing of their products). *See* Richmond Compl. ¶¶ 209–95; *People*
 8 *v. Conagra Grocery Prods. Co.*, 17 Cal. App. 5th 51, 102–04 (2017), *reh’g denied* (Dec. 6,
 9 2017), *rev. denied* (Feb. 14, 2018) (affirming California nuisance liability for out-of-state
 10 manufacturers’ wrongful promotion of lead paint causing in-state injuries).

11 Second, Defendants’ assertion that “every link in [the causal chain supporting liability] is
 12 inextricably intertwined with federal issues,” Marathon Not. of Rem. ¶ 21, would not support
 13 *Grable* jurisdiction even if it were true (and Plaintiffs’ Complaints do not use the term “navigable
 14 waters” in describing the chain of causation, contrary to Defendants’ misquotation). *See* ¶ 21. That
 15 argument still identifies no question of federal law that is an essential element of Plaintiffs’ claims.

16 Third, Defendants’ argument that any eventual remedial order “will require interpretation
 17 of the extensive web of federal regulations” related to navigable waters, *id.* ¶ 22, fails *Grable*’s
 18 “necessarily raised” and “substantiality” requirements. That argument also lacks any foundation
 19 in the Complaints. Plaintiffs seek abatement of the alleged nuisance conditions within their own
 20 borders. Richmond Compl. Prayer ¶ 2. The exact form that abatement might take will be

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 23 & *Clearing Corp.*, 559 F.3d 772, 779 (8th Cir. 2009), alleged on the face of its complaint that a
 24 federal program’s “very existence” led to its injuries. In *McKay v. City & Cnty. of San Francisco*,
 25 No. 16-CV-03561 NC, 2016 WL 7425927, at *1–2; *4–5 (N.D. Cal. Dec. 23, 2016), the plaintiff
 26 alleged a nuisance resulting from a commercial flightpath, necessarily challenging the Federal
 27 Aviation Administration’s final decision approving the path. Here, Plaintiffs challenge the private
 28 corporate defendants’ marketing and promotion of their products and do not explicitly or implicitly
 challenge any federal regulatory order. Finally, the complaint in *Bader Farms, Inc. v. Monsanto*
Co., No. 1:16-CV-299 SNLJ, 2017 WL 633815 (E.D. Mo. Feb. 16, 2017), alleged injury from the
 violation of a duty to make disclosures to a federal agency, which necessarily required the court to
 construe a federal disclosure statute. Plaintiffs’ claims here rest on Defendants’ duties to Plaintiffs
 and the public, not to any federal regulators.

1 determined at trial, and there is no basis for Defendant’s assertion that it would necessarily require
2 building structures in waters subject to federal permitting requirements. *See, e.g., Conagra*, 17 Cal.
3 App. 5th at 134 (affirming establishment of an abatement fund rather than a specific abatement
4 project). Determining whether a hypothetical abatement project “would be approved by the
5 Corps,” *Marathon Not. of Rem.* ¶ 22, would involve a fact-bound and situation-specific inquiry
6 that, even if necessary, would not satisfy *Grable*’s separate substantiality requirement. *See, e.g.,*
7 *McVeigh*, 547 U.S. at 700–01 (a “nearly pure issue of [federal] law” that “would govern number
8 [other] cases” is more likely to be substantial than a “fact-bound and situation-specific” inquiry).
9 Regardless, Defendants’ argument that Plaintiffs will be required to demonstrate their hypothetical
10 abatement project is “consistent with federal action” raises yet another prospective conflict
11 preemption defense for consideration on remand. *See Marathon Not. of Rem.* ¶ 22.

12 **C. There Is No Admiralty Jurisdiction.**

13 Through *Marathon*’s Additional Notice of Removal, Defendants now seek to invoke an
14 eighth basis for federal jurisdiction on top of their earlier seven: admiralty jurisdiction. Although
15 the Constitution bestows federal courts original—but not exclusive—jurisdiction over admiralty
16 and maritime claims, U.S. Const. art. III, § 2, cl. 1, a tort claim comes within admiralty jurisdiction
17 only when it satisfies both the “location” and “connection to maritime activity” tests. *Jerome B.*
18 *Grubart, Inc. v. Great Lakes Dredge & Dock Co.*, 513 U.S. 527, 534 (1995); *In re Mission Bay*
19 *Jet Sports, LLC*, 570 F.3d 1124, 1126 (9th Cir. 2009). Defendants have not established that
20 Plaintiffs’ claims satisfy either test.

21 **1. No Tort Has Caused Injury on Navigable Water, and No Vessel on** 22 **Navigable Water Has Caused an Injury on Land.**

23 The location test requires a showing that the alleged tort occurred on navigable water, or
24 if the injury were suffered on land, was caused by a vessel on navigable water. *Grubart*, 513 U.S.
25 527, 534 (1995) (citing 46 U.S.C. § 30101(a)); *Ali v. Rogers*, 780 F.3d 1228, 1235 (9th Cir.
26 2015). The location of a tort for purposes of admiralty jurisdiction is “the place where the injury
27 occurs.” *Tobar v. United States*, 639 F.3d 1191, 1197 (9th Cir. 2011) (quotations omitted). Injury
28

1 on navigable waters extends to all places within the “ebb and flow of the tides.” *Complaint of*
2 *Paradise Holdings, Inc.*, 795 F.2d 756, 759 (9th Cir. 1986).

3 Relying on a single case, Defendants wrongly assert that the alleged injuries to Plaintiff
4 City of Richmond have occurred “on the navigable waters of San Francisco Bay[.]” Opp. at 20:2–
5 5 & Marathon Not. of Rem. ¶ 26 (quoting *Red Shield Ins. Co. v. Barnhill Marina & Boatyard,*
6 *Inc.*, No. C 08-02900 WHA, 2009 WL 1458022, at *1 (N.D. Cal. May 21, 2009)). In *Red Shield*,
7 the alleged injury occurred to a floating home that had run aground in the waters of a marina—an
8 area clearly within the ebb and flow of the tides. *See Red Shield*, 2009 WL 1458022, at *1. Here,
9 in contrast, injury has occurred and will occur on lands threatened by unprecedented flooding and
10 sea level rise, as well as by drought, extreme precipitation, and heat waves—in areas far beyond
11 the tidal zone. *See, e.g.*, Richmond Compl. ¶ 200 (sea level rise endangers wastewater treatment
12 facilities, residential neighborhoods, and other structures on land). Defendants cite no case—nor
13 are Plaintiffs aware of any—in which flood waters alone conferred admiralty jurisdiction for an
14 injury on dry land. *See Grubart*, 513 U.S. at 534 (tunnel flooded by navigable waters was treated
15 as “land”; tort had maritime location only because flooding was caused by a vessel on navigable
16 waters); *see also In re Hurricane Katrina Canal Breaches Litig.*, 324 F. App’x 370 (5th Cir. 2009)
17 (no party argued that flooding converted New Orleans itself into navigable waters”; instead, the
18 court looked to whether dredging vessels caused the flooding of a shipping canal).

19 The *BP* Court’s characterization of coastal land flooding as “the very instrumentality of
20 plaintiffs’ alleged injuries,” *BP* Order at 8, finds no support in the law of admiralty, which makes
21 clear that a tort occurring on land only falls within admiralty if the “instrumentality” of that injury
22 was a *vessel*. *See* 46 U.S.C. § 30101(a) (extension of admiralty jurisdiction for injury “caused by
23 a vessel on navigable waters . . . consummated on land”). Despite Defendants’ arguments, the
24 production of some unspecified amount of fossil fuels by “mobile offshore drilling units”
25 (“MODUs”) does not transform Plaintiffs’ state law tort claims into claims under federal admiralty
26 law. *See* Opp. at 20:5–9 & Marathon Not. of Rem. ¶ 26. Whether or not MODUs, or even
27 traditional fixed drilling platforms “underway to a drilling operation,” Marathon Not. of Rem.
28 ¶ 27, are “vessels” within the meaning of § 30101(a), there is no allegation in the Complaints, nor

1 have Defendants contended, that those “vessels” *caused* the injuries on land. As the Complaints
 2 allege, the proximate cause of Plaintiffs’ injuries arises from the nature of the products themselves
 3 and from Defendants’ promotion of those products with knowledge of their dangers, not from any
 4 Defendants’ operation of an MODU.

5 **2. The Claims Have No Substantial Relationship to Traditional**
 6 **Maritime Activity.**

7 Defendants also fail to meet the maritime connection test, which requires the activity giving
 8 rise to the incident to have a “substantial relationship to traditional maritime activity.” *Grubart*,
 9 513 U.S. at 534. “The key inquiry is whether the allegedly tortious activity is so closely related to
 10 activity traditionally subject to admiralty law that the reasons for applying special admiralty rules
 11 would apply in the suit at hand.” *Id.* at 539–40. As the Supreme Court has recognized, the “law of
 12 admiralty has evolved over many centuries, designed and molded to handle problems of vessels,”
 13 including, for example, navigational rules, seaworthiness of ships, maritime liens, and cargo
 14 damage. *Exec. Jet Aviation, Inc. v. City of Cleveland, Ohio*, 409 U.S. 249, 269–70 (1972). For the
 15 tort to have a “substantial relationship” with the traditional maritime activity, moreover, this
 16 activity must be “a proximate cause of the incident.” *Grubart*, 513 U.S. at 541.

17 Oil and gas production—even from MODUs—is not itself a “traditional maritime activity.”
 18 In *Herb’s Welding, Inc. v. Gray*, 470 U.S. 414, 425 (1985), the Supreme Court concluded that the
 19 “exploration and development of the Continental Shelf are not themselves maritime commerce.”
 20 Although *Herb’s Welding* involved a fixed drilling platform, courts have extended this proposition
 21 to torts arising on “vessels” engaged in offshore oil and gas production, focusing on whether the
 22 specific injurious activity was related to a traditional subject of admiralty law, e.g. navigation.¹¹

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 26 ¹¹ See, e.g., *Texaco Expl. & Prod., Inc. v. AmClyde Engineered Prod. Co.*, 448 F.3d 760, 771 (5th
 27 Cir. 2006) (claims involving an accident on a vessel constructing a drilling platform did not arise
 28 from “traditionally maritime activities”); *Barker v. Hercules Offshore, Inc.*, 713 F.3d 208, 218 (5th
 Cir. 2013) (in a personal injury case on a MODU, “the act which gave rise to the incident in
 question—in this case, replacing a casing over a well—was in furtherance of the non-maritime
 activity of offshore oil exploration and drilling.” (Clement, J., concurring)).

1 Even if some of Defendants’ activities qualified as “traditional maritime activities,” they
2 still are not alleged to be a proximate cause of Plaintiffs’ injuries. Marathon refers to just five
3 MODUs, which Defendants have operated for only a few years. *See* Marathon Not. of Rem. ¶ 26.
4 More importantly, Defendants’ marketing and promotion of fossil fuels—the critical conduct at
5 issue in Plaintiffs’ cases—has nothing to do with navigable waters. *See, e.g., Conagra*, 17 Cal.
6 App. 5th at 84 (public nuisance liability based on deceptive product promotion). Those land-based
7 activities do “not require the special expertise of a court in admiralty as to navigation or water-
8 based commerce.” *Myhran v. Johns-Manville Corp.*, 741 F.2d 1119, 1122 (9th Cir. 1984).

9 **D. Admiralty Jurisdiction Is Not a Basis for Removal.**

10 Even if Plaintiffs’ claims arose in admiralty, which they do not, such claims “are not
11 removable under 28 U.S.C. § 1441 absent some other jurisdictional basis, such as diversity or
12 federal question jurisdiction.” *Morris v. Princess Cruises, Inc.*, 236 F.3d 1061, 1069 (9th Cir.
13 2001) (citing *Romero v. Int’l Terminal Operating Co.*, 358 U.S. 354, 371 (1959)). Despite
14 Defendants’ arguments to the contrary, Marathon Not. of Rem. ¶ 32, Opp. at 20:22–24, the 2011
15 amendments to § 1441 do not disrupt this well-established rule, which has persisted “throughout
16 the history of federal admiralty jurisdiction—from the Judiciary Act of 1789 through *Romero* and
17 up to the present.” *Coronel v. AK Victory*, 1 F. Supp. 3d 1175, 1187 (W.D. Wash. 2014).

18 The “saving to suitors” clause in 28 U.S.C. § 1333 grants district courts jurisdiction over
19 admiralty claims, “saving to suitors in all cases all other remedies to which they are otherwise
20 entitled.” The U.S. Supreme Court has interpreted this clause as prohibiting removal of cases for
21 which state courts have concurrent (as opposed to exclusive) admiralty jurisdiction. *See, e.g.,*
22 *Romero*, 358 U.S. at 372 n.32, 396–97. “[T]he clause reserves to plaintiffs all remedies
23 traditionally available at common law via in personam proceedings.” *Lewis v. Lewis & Clark*
24 *Marine, Inc.*, 531 U.S. 438, 455 (2001). Federal courts’ admiralty jurisdiction “is ‘exclusive’ only
25 as to those maritime proceedings in rem, that is, where a vessel or thing is itself treated as the
26 offender and made the defendant by name or description.” *Madruga v. Superior Court of State of*
27 *Cal. in & for San Diego Cty.*, 346 U.S. 556, 561 (1954). There is no plausible basis to characterize
28 Plaintiffs’ claims as in rem proceedings, and federal jurisdiction could not be exclusive here.

1 For in personam cases, like those now before this Court, the “saving to suitors” clause
 2 “leave[s] state courts competent to adjudicate maritime causes of actions in proceedings in
 3 personam, that is, where the defendant is a person, not a ship or some other instrument of
 4 navigation.” *Madruga*, 346 U.S. at 560–61 (quotations omitted). “Therefore, a plaintiff with in
 5 personam maritime claims has three choices: He may file in federal court under the federal court’s
 6 admiralty jurisdiction, in federal court under diversity jurisdiction if the parties are diverse and the
 7 amount in controversy is satisfied, or in state court.” *Ghotra by Ghotra v. Bandila Shipping, Inc.*,
 8 113 F.3d 1050, 1054 (9th Cir. 1997). Plaintiffs exercised their congressionally protected right to
 9 file state law claims in state court, and § 1333 “saves” their option to select this forum, prohibiting
 10 Defendants from asserting admiralty jurisdiction as the basis for removal (which is presumably
 11 why Defendants previously did not assert admiralty jurisdiction as a ground for removal).

12 Congress clarified in its 2011 revisions to 28 U.S.C. § 1441(b) that complete diversity is
 13 required only where diversity jurisdiction is the basis of removal. Nothing in those amendments
 14 suggests any intent to disturb the plaintiff’s choice of forum under the “saving to suitors” clause.
 15 See Pub. L. No. 112-63, 125 Stat. 758 (Dec. 7, 2011) (“Federal Courts Jurisdiction and Venue
 16 Clarification Act”). While a handful of district courts in the Fifth Circuit have held that this change
 17 now authorizes removal of in personam admiralty claims, see *Ryan v. Hercules Offshore, Inc.*, 945
 18 F. Supp. 2d 772, 778 (E.D. Tex. 2013),¹² the vast majority of courts to consider the question—
 19 including every court to have considered it in the Ninth Circuit¹³—have concluded this change

20 _____
 21 ¹² *Ryan*’s validity is in doubt—the court that authored it has since determined based on developing
 22 of case law and commentary that maritime cases cannot be removed absent an independent basis
 23 for jurisdiction. See *Sanders v. Cambrian Consultants*, 132 F. Supp. 3d 853, 858 (S.D. Tex. 2015).

24 ¹³ See *Coronel v. AK Victory*, 1 F. Supp. 3d 1175, 1187 (W.D. Wash. 2014) (reviewing the history
 25 of admiralty jurisdiction and the 2011 amendments to § 1441, and concluding that “28 U.S.C.
 26 § 1333 alone does not provide federal subject matter jurisdiction over maritime claims on the law
 27 side of the court”); *Barglowski v. Nealco Int’l LLC*, No. CV 16-00209 LEK-KSC, 2016 WL
 28 5107043, at *8 (D. Haw. Sept. 20, 2016) (“The Court agrees with the other district courts in the
 Ninth Circuit, and concludes that, even considering the 2011 amendments to § 1441, common law
 maritime claims are not removable . . . absent separate grounds for jurisdiction.”); *Moreno v. Ross
 Island Sand & Gravel Co.*, No. 2:13-CV-00691-KJM, 2015 WL 5604443, at *19 (E.D. Cal. Sept.
 23, 2015) (“District courts in this circuit agree with” majority view maritime cases not removable);
Bartman v. Burrece, No. 3:14-CV-0080-RRB, 2014 WL 4096226, at *3 (D. Alaska Aug. 18, 2014)

1 does not affect the longstanding rule that savings clause cases cannot be removed absent a non-
 2 admiralty ground for federal jurisdiction. *See, e.g., Boudreaux v. Glob. Offshore Res., LLC*, No.
 3 CIV.A. 14-2507, 2015 WL 419002, at *3 (W.D. La. Jan. 30, 2015) (collecting cases and siding
 4 with majority view that savings clause cases are not removable). This is because, as amended,
 5 § 1441 allows removal of civil actions in the original jurisdiction of the federal courts “[e]xcept as
 6 otherwise expressly provided by Act of Congress.” Under *Romero*, the savings clause of § 1333 is
 7 just such an exception, because “it was unquestioned aim of the saving clause of 1789 to preserve”
 8 concurrent state court jurisdiction over admiralty matters and the “historic option of a maritime
 9 suitor pursuing a common-law remedy to select his forum.” 358 U.S. 371–72.

10 Defendants mischaracterize the few cases they cite in support of their position. *Lu Junhong*
 11 *v. Boeing Co.*, 792 F.3d 805, 817 (7th Cir. 2015), flagged the issue of maritime removability after
 12 the § 1441 amendments but declined to reach it based on its determination that the plaintiffs waived
 13 any “saving to suitors” argument. *See also Brown v. Porter*, 149 F. Supp. 3d 963 (N.D. Ill. 2016)
 14 (rejecting *Lu Junhong*’s position as dicta and holding that the “saving to suitors” clause prohibited
 15 removal). *Tennessee Gas Pipeline v. Houston Cas. Ins. Co.*, 87 F.3d 150 (5th Cir. 1996), was not
 16 a savings clause case because, as the court recognized, the Outer Continental Shelf Lands Act
 17 provided a separate ground for removal, *id.* at 155–56, and the Fifth Circuit has since reinforced
 18 the traditional rule that maritime claims filed in state court “are exempt from removal by the
 19 ‘saving-to-suitors’ clause . . . and therefore may only be removed when original jurisdiction is
 20 based on another jurisdictional grant, such as diversity of citizenship.” *Barker*, 713 F.3d at 219.
 21 In sum, Defendants offer admiralty jurisdiction as a lifeboat for their sinking removal ship, but it
 22 cannot save them.

23 **III. CONCLUSION**

24 For the reasons set forth above and in Plaintiffs’ previous briefs, this Court lacks subject-
 25 matter jurisdiction and should remand these actions to the California Superior Courts.

26
 27
 28 (despite the § 1441 amendments, “removal based on admiralty jurisdiction is still limited by the
 statutory grant of original jurisdiction in 28 U.S.C. § 1333”).

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Respectfully submitted,

Dated: March 16, 2018

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