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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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UNITED STATES *v.* NAVAJO NATION

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 01–1375. Argued December 2, 2002—Decided March 4, 2003

The Indian Mineral Leasing Act of 1938 (IMLA) provides that "[u]nallotted lands within any Indian reservation," or otherwise under federal jurisdiction, "may, with the approval of the Secretary [of the Interior (Secretary)] . . . , be leased for mining purposes, by authority of the tribal council or other authorized spokesmen for such Indians." 25 U. S. C. §396a. The Act aims to provide Indian tribes with a profitable source of revenue and to foster tribal self-determination by giving Indians a greater say in the use and disposition of the resources on their lands.

In 1964, the Navajo Nation (Tribe) permitted the predecessor of Peabody Coal Company (Peabody) to mine coal on the Tribe's lands pursuant to Lease 8580 (Lease or Lease 8580). The Lease established a maximum royalty rate of 37.5 cents per ton of coal, but made that figure subject to reasonable adjustment by the Secretary on the 20-year anniversary of the Lease and every ten years thereafter. As Lease 8580's 20-year anniversary approached, its 37.5 cents per ton rate yielded for the Tribe about 2% of gross proceeds. This return was higher than the ten cents per ton minimum established by then-applicable regulations implementing the IMLA. It was substantially lower, however, than the rate Congress established in 1977 as the minimum permissible royalty for coal mined on federal lands under the Mineral Leasing Act. In June 1984, the Area Director of the Bureau of Indian Affairs, acting pursuant to authority delegated by the Secretary and at the Tribe's request, sent Peabody an opinion letter raising the Lease 8580 rate to 20 percent of gross proceeds. While Peabody's administrative appeal was pending before Deputy Assistant Secretary for Indian Affairs John Fritz, Peabody wrote to Secretary Hodel, asking him either to postpone decision on the appeal or to

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rule in Peabody's favor. Peabody representatives also met privately with Hodel during that period. In July 1985, Hodel sent a memorandum to Fritz "suggest[ing]" that he inform the parties that his decision was not imminent and urging them to continue their efforts to resolve the matter in a mutually agreeable fashion. The Tribe resumed negotiations with Peabody. In November 1985, the parties agreed to amend the Lease to provide, among other things, for a royalty rate of 12½ percent of monthly gross proceeds, which was the then-customary rate for coal leases on federal and Indian lands. Pursuant to §396a of the IMLA, Secretary Hodel approved the amended Lease in December 1987.

In 1993, the Tribe brought this action for damages against the United States, alleging, *inter alia*, that the Secretary's approval of the Lease amendments constituted a breach of trust. Although granting summary judgment for the United States, the Court of Federal Claims found that the Secretary had flagrantly dishonored the Government's general fiduciary duties to the Tribe by acting in Peabody's best interests rather than those of the Tribe. The court nevertheless concluded that the Tribe had entirely failed to link that breach of duty to any statutory or regulatory obligation which could be fairly interpreted as mandating compensation for the Government's actions. The Federal Circuit reversed. Relying on 25 U. S. C. §399 and regulations promulgated thereunder, the appeals court determined that the measure of control the Secretary exercised over the leasing of Indian lands for mineral development sufficed to warrant a money judgment against the United States. Agreeing with the Federal Claims Court that the Secretary's actions regarding Peabody's administrative appeal violated the Government's fiduciary obligations to the Tribe, the Court of Appeals remanded for further proceedings, including a determination of damages.

Held: United States v. *Mitchell*, 445 U. S. 535 *(Mitchell I),* and *United States* v. *Mitchell,* 463 U. S. 206 *(Mitchell II),* control this case. The controversy here falls within *Mitchell I*'s domain, and the Tribe's claim for compensation from the Government fails, for it does not derive from any liability-imposing provision of the IMLA or its implementing regulations. Pp. 11–23.

(a) To state a litigable claim, a tribal plaintiff must invoke a rights-creating source of substantive law that "can fairly be interpreted as mandating compensation by the Federal Government for the damages sustained." *Mitchell II,* 463 U. S., at 218. Although the Indian Tucker Act, 28 U. S. C. §1505, confers jurisdiction upon the Court of Federal Claims in cases where this requirement is met, the Act is not itself a source of substantive rights. *E.g., Mitchell II,* 463 U. S., at 216. Pp. 11–12.

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(b) *Mitchell I* and *Mitchell II* are the pathmarking precedents on the question whether a statute or regulation (or combination thereof) "can fairly be interpreted as mandating compensation by the Federal Government." *Mitchell II*, 463 U. S., at 218. In *Mitchell I*, the Court held that the Indian General Allotment Act of 1887 (GAA)—which authorized the President to allot agricultural or grazing land to individual tribal members residing on a reservation, 25 U. S. C. §331, and provided that the Government would hold land thus allotted in trust for the sole use and benefit of the allottee, §348—did not authorize an award of money damages against the United States for alleged mismanagement of forests located on allotted lands. The Court concluded that the GAA created only a limited trust relationship that did not impose any duty upon the Government to manage timber resources. *Mitchell I,* 445 U. S., at 542. In *Mitchell II,* however, the Court held that a network of other statutes and regulations did impose judicially enforceable fiduciary duties upon the United States in its management of forested allotted lands, 463 U. S., at 222–224, and that the relevant prescriptions could fairly be interpreted as mandating compensation by the Federal Government when it breached those duties, *id.*, at 226–227. To state a claim cognizable under the Indian Tucker Act, *Mitchell I and Mitchell II* instruct, a Tribe must identify a substantive source of law that establishes specific fiduciary or other duties, and allege that the Government has failed faithfully to perform those duties. See *Mitchell II,* 463 U. S., at 216–217, 219. If that threshold is passed, the court must then determine whether the relevant source of substantive law "can fairly be interpreted as mandating compensation for damages sustained as a result of a breach of the duties [the governing law] impose[s]." *Id.,* at 219. Although "the undisputed existence of a general trust relationship between the United States and the Indian people" can "reinforc[e]" the conclusion that the relevant statute or regulation imposes fiduciary duties, *id.*, at 225, that relationship alone is insufficient to support jurisdiction under the Indian Tucker Act. Instead, the analysis must train on specific rights-creating or duty-imposing statutory or regulatory prescriptions. Those prescriptions, however, need not expressly provide for money damages; the availability of such damages may be inferred. See *id.*, at 217, n. 16. Pp. 12–15.

(c) The statutes and regulations at issue cannot fairly be interpreted as mandating compensation for the Government's alleged breach of trust in this case. 15–23.

(1) The IMLA and its regulations do not provide the requisite "substantive law" that "mandat[es] compensation by the Federal Government." *Mitchell II*, 463 U. S., at 218. They impose no obligations resembling the detailed fiduciary responsibilities that *Mitchell*

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II found adequate to support a claim for money damages. The IMLA simply requires Secretarial approval before coal mining leases negotiated between Tribes and third parties become effective, §396a, and authorizes the Secretary generally to promulgate regulations governing mining operations, §396d. Unlike the "elaborate" provisions before the Court in *Mitchell II*, 463 U. S., at 225, the IMLA and its regulations do not "give the Federal Government full responsibility to manage Indian resources . . . for the benefit of the Indians," *id.*, at 224. The Secretary is neither assigned a comprehensive managerial role nor, at the time relevant here, expressly invested with responsibility to secure "the needs and best interests of the Indian owner and his heirs." *Ibid.* Instead, the Secretary's involvement in coal leasing under the IMLA more closely resembles the role provided for the Government by the GAA regarding allotted forest lands. See *Mitchell I*, 445 U. S., at 540–544. Although the GAA required the Government to hold allotted land in trust for allottees, that Act did not "authoriz[e], much less requir[e], the Government to manage timber resources for the benefit of Indian allottees." *Id.,* at 545. Similarly here, the IMLA and its regulations do not assign to the Secretary managerial control over coal leasing. Nor do they even establish the "limited trust relationship," *id.*, at 542, existing under the GAA; no provision of the IMLA or its regulations contains *any* trust language with respect to coal leasing. Moreover, as in *Mitchell I*, imposing fiduciary duties on the Government here would be out of line with one of the statute's principal purposes, enhancing tribal self-determination. See *id.*, at 543. Pp. 15–18.

(2) The Court rejects the Tribe's arguments that the Secretary's actions in this case violated discrete statutory and regulatory provisions whose breach is redressable in a damages action. The Tribe misplaces reliance on 25 U. S. C. §399, which is not part of the IMLA and does not govern Lease 8580. Enacted almost 20 years before the IMLA, §399 authorizes *the Secretary* to lease certain unallotted Indian lands for mining purposes on terms she sets, and does not provide for input from the Tribes concerned. That authorization does not bear on the Secretary's more limited *approval* role under the IMLA. Similarly unavailing is the Tribe's reliance on the Indian Mineral Development Act of 1982 (IMDA), 25 U. S. C. §2101 *et seq.* The IMDA governs the Secretary's approval of agreements for the development of certain Indian mineral resources through exploration and like activities. It does not establish standards governing her approval of mining *leases* negotiated by a Tribe and a third party, such as Lease 8580. The Tribe's vigorously pressed arguments headlining §396a, the IMLA's general prescription, fare no better. Asserting that Secretary Hodel violated a §396a duty to review and approve

proposed coal leases only to the extent they are in the Tribe's best interests, the Tribe points to various Government reports identifying 20 percent as the appropriate royalty, and to the Secretary's decision, made after receiving *ex parte* communications from Peabody, to withhold departmental action. In the circumstances presented, the Tribe maintains, Hodel's eventual approval of the 12½ percent royalty rate violated §396a in two ways: (1) It was improvident because it allowed conveyance of the Tribe's coal for what Hodel knew to be about half of its value, and (2) it was unfair because Hodel's intervention into the Lease adjustment process skewed the bargaining by depriving the Tribe of the 20 percent rate. These arguments fail, for they assume substantive prescriptions not found in §396a. As to the first argument, because neither the IMLA nor any of its regulations establishes anything more than a bare minimum royalty, there is no textual basis for concluding that the Secretary's approval function includes a duty, enforceable in an action for money damages, to ensure a higher rate of return for the Tribe. Similarly, the Tribe's second argument is not grounded in specific statutory or regulatory language. Nothing in §396a or the IMLA's implementing regulations proscribed the *ex parte* communications in this case, which occurred during an administrative appeal process largely unconstrained by formal requirements. Moreover, even if Deputy Assistant Secretary Fritz had rendered an opinion affirming the 20 percent royalty approved by the Area Director, the Secretary could have set aside or modified his subordinate's decision in the exercise of his authority as head of the Interior Department. Accordingly, rejection of Peabody's appeal by Fritz would not necessarily have yielded a higher royalty for the Tribe. Pp. 18–23.

263 F. 3d 1325, reversed and remanded.

GINSBURG, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and SCALIA, KENNEDY, THOMAS, and BREYER, JJ., joined. SOUTER, J., filed a dissenting opinion, in which STEVENS and O'CONNOR, JJ., joined.