

LEGAL UPDATES

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## Supreme Court Hears Key Freight Broker Preemption Case

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Today, the U.S. Supreme Court heard oral arguments in *Shawn Montgomery v. Caribe Transport II, LLC, et al.*, a case that could reshape liability for freight brokers nationwide. The dispute stems from a 2017 truck accident in Illinois that left plaintiff Shawn Montgomery severely injured after a driver for carrier Caribe Transport II—arranged by freight broker C.H. Robinson—rear-ended Montgomery’s parked tractor-trailer. Lower courts dismissed Montgomery’s negligent hiring claims against C.H. Robinson, citing federal preemption under the Federal Aviation Administration Authorization Act of 1994 (FAAAA) and declined to apply the statute’s “safety exception.” The Seventh Circuit affirmed this approach, creating a split with the Ninth Circuit, which allows such claims to proceed.

During today’s arguments, the Justices examined the FAAAA’s safety exception to preemption and its legislative history. Petitioners argued that Congress intended to preserve state safety regulations, while several conservative Justices questioned whether the safety exception should be interpreted as broadly as Petitioners suggested. Justice Clarence Thomas challenged the assertion that safety regulation has always been within the states’ traditional purview, noting that the federal government also regulated safety prior to deregulation in the late 1980s. Justices Samuel Alito and Brett Kavanaugh questioned Petitioners’ reading of the statute, pointing out that the intrastate preemption provision contains no safety exception, while the interstate provision does—resulting in broader preemption for intrastate transportation than for interstate, which all agreed to be inconsistent with congressional intent. Additionally, some Justices focused on Congress’s intent to exclude brokers and freight forwarders from personal injury liability, as reflected in the statutory requirement for motor carriers to maintain insurance for personal injury, compared to the much lower coverage requirement for brokers and freight forwarders.

Justice Ketanji Brown Jackson's questioning focused more on the practical effects and burden on brokers should the safety exception encompass negligent hiring claims. While highlighting the significant litigation costs brokers face, even for claims that ultimately lack merit, permitting states to regulate safety via negligent hiring claims still gave parties the freedom to choose the areas they seek to serve and avoid those they do not. Yet other Justices expressed concern about the potential for a patchwork of state laws that federal deregulation sought to avoid. Some questioned whether applying the safety exception would impose heightened and potentially conflicting duties on brokers, affecting industry practices and possibly conflicting with other federal laws. Petitioners acknowledged these burdens but argued that brokers should bear them.

The Court appeared divided, with the three Justices leaning toward allowing state claims under the safety exception, and some Justices favoring preemption. The decision, expected before the end of this term in July 2026, will have major implications for freight broker liability and the balance of state versus federal regulatory power in the trucking industry.

### **Contact us**

If you have questions about how this case may affect your business, please contact Julie Maurer, Joseph Baratta, or your Husch Blackwell attorney.