Supreme Court Hears Arguments in Personal-Injury Case with Major Implications for Broker Liability

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On March 4, 2026, the U.S. Supreme Court heard oral argument in *Montgomery v. Caribe Transport II, LLC*, a case arising from a December 2017 highway collision in Illinois. At stake in this case is whether state negligent-selection claims against freight brokers are preempted by the Federal Aviation Administration Authorization Act (FAAAA), 49 U.S.C. § 14501(c), or saved by the statute's "safety" exception. The Supreme Court's ruling could redefine broker exposure to personal-injury claims and recalibrate the boundary between federal deregulation and state tort law.

Controversy Before the Court

In *Montgomery v. Caribe Transport,* the petitioner, Shawn Montgomery, had pulled his truck onto the westbound shoulder due to a mechanical issue. As he stood inspecting the vehicle, a tractor-trailer driven by Yosniel Varela-Mojena allegedly veered off the roadway and rear-ended Montgomery's truck, leading to severe, permanent injuries. Varela-Mojena was employed by Caribe Transport II, an Indiana-based interstate motor carrier. The tractor he was driving was owned by Caribe II, while the trailer was leased by Caribe Transport, LLC, a related Florida entity. The shipment was arranged by freight broker C.H. Robinson Worldwide, Inc. and its affiliates under a carrier agreement with Caribe II.

Preemption Question & Statutory Framework

The question for the Supreme Court is whether 49 U.S.C. §14501(c) preempts a state common-law claim against a broker for negligently selecting a motor carrier or driver. Specifically, 49 U.S.C. §14501(c)(1) preempts any state "law, regulation, or other provision having the force and effect of law" that is "related to a price, route, or service" of any motor carrier or broker "with respect to the transportation of property." The FAAAA's safety exception provides

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that the preemption provision "shall not restrict the safety regulatory authority of a State with respect to motor vehicles." 49 U.S.C. §14501(c)(2)(A).

Key Takeaways from Oral Argument

At oral argument, counsel for the petitioner argued that negligent hiring claims fall within the safety exception because the tort's aim is to keep dangerous motor vehicles off the road, whether the claim targets a carrier or a broker. He warned courts should not immunize brokers that know, or should know, carriers' vehicles are poorly maintained, underinsured, or not federally registered. Practically, the petitioner urged brokers to hire quality carriers, implement screening, and avoid carriers with conditional safety ratings — citing the underlying case as an example where the broker, C.H. Robinson, allegedly hired such a carrier contrary to its own internal policy. He also claimed the limits of federal oversight, and the lack of carriers that have never had a federal safety exam, support a state tort backstop.

Counsel for the respondents contended negligent selection claims target a broker's core arranging service and are preempted. They argued brokers lack sufficient connection to motor vehicles because they do not own, operate, or control them. They highlighted statutory text, including the savings clause's "with respect to motor vehicles," arguing this is a "massively limiting" phrase that does not sweep in broker-arranging activities related to the transportation of property. Counsel for the United States agreed, emphasizing Congress's narrower noun "motor vehicles" in the safety exception excludes broker-arranging activities from the exception.

Justice Brett Kavanaugh flagged that the petitioner's approach could yield broker liability in interstate but not intrastate contexts, noting Congress imposed financial responsibility on carriers but not brokers. Respondents argued § 14501(b) expressly preempts intrastate broker-service claims with no safety savings clause, making it unthinkable that states would have greater safety authority over interstate broker services. Counsel for the United States similarly stated it makes no sense that Congress left greater

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state authority over interstate broker services than intrastate. Several justices probed limiting principles — proximate cause or a "direct relationship" — and whether the Supreme Court could resolve the case under the safety exception without addressing the broader (c)(1) preemption clause.

Respondents warned that imposing broker duties to investigate driver fitness and carrier histories would disrupt just-in-time matching and create a burdensome patchwork across states. If the petitioner prevails in *Montgomery v. Caribe Transport*, brokers may intensify safety background checks, favor larger established carriers, request policies on English and drug testing, and verify minimum insurance — potentially shrinking the pool of available carriers. Both of the respondents and the United States stressed avoiding a state-by-state patchwork that would burden interstate commerce and push freight toward the largest carriers.

What This Could Mean for Your Business

If the Supreme Court recognizes negligent hiring claims against brokers as within the safety exception, brokers would likely formalize diligence frameworks by verifying carriers' testing programs, asking hard questions, confirming requisite liability insurance, and avoiding fly-by-night or conditionally rated carriers. There would likely be increased pressure to evaluate driver- and carrier-level risks, together with concerns about practical access to information like language proficiency or drug/alcohol issues and resultant shifts toward larger carriers. Because driver safety records are confidential and not typically accessible to brokers, liability exposure could drive consolidation toward carriers with robust, auditable compliance infrastructures.

If the Supreme Court, however, holds broker-arranging services are preempted from negligent hiring claims, brokers could continue to rely on federal licensing and registration as the baseline, with states unable to impose additional duties inconsistent with the federal scheme. Safety regulation would remain primarily federal, with states permitted to enact compatible or stricter rules unless preempted by the Transportation Secretary where they burden interstate commerce. Insurance obligations would remain

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asymmetric, with carriers insuring for personal injury while brokers remain focused on freight charges, consistent with the Interstate Commerce Commission's historic views that brokers are not responsible for personal injury damages.

Bottom line: The Supreme Court's much-anticipated ruling in *Montgomery* will likely clarify an existing federal circuit split about whether negligent-selection claims against brokers are preempted under § 14501(c) or preserved by the safety exception—shaping broker liability nationwide and defining the scope of state authority over safety in the freight ecosystem.

For tailored guidance on compliance, contracting, and risk mitigation pending the Supreme Court's decision, please contact the author or any member of FBT Gibbons' Supply Chain industry team.

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