No. 24-1238

IN THE

Supreme Court of the United States

SHAWN MONTGOMERY,

Petitioner,

v.

CARIBE TRANSPORT II, LLC, YOSNIEL VARELA-MOJENA, C.H. ROBINSON WORLDWIDE, INC., C.H. ROBINSON COMPANY, C.H. ROBINSON COMPANY, INC., C.H. ROBINSON INTERNATIONAL, INC., AND CARIBE TRANSPORT, LLC,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

BRIEF FOR RESPONDENTS C.H. ROBINSON WORLDWIDE, INC., C.H. ROBINSON COMPANY, C.H. ROBINSON COMPANY, INC., and C.H. ROBINSON INTERNATIONAL, INC.

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QUESTION PRESENTED

In the Federal Aviation Administration Authorization Act (FAAAA), Congress enacted a provision—modeled after language in the Airline Deregulation Act—preempting state laws related to motor carrier prices, routes, and services to protect the deregulation of the motor carrier industry. Congress also enacted a savings clause, which includes a component known as the safety exception, preserving the States' existing "safety regulatory authority * * * with respect to motor vehicles." Federal Aviation Administration Authorization Act of 1994, Pub. L. No. 103-305, § 601(c), 108 Stat. 1569, 1606 (1994) (originally codified at 49 U.S.C. § 11501(h)). In 1995, Congress expanded the scope of federal preemption under the FAAAA to include the prices (and rates), routes, and services of freight brokers. ICC Termination Act of 1995, Pub. L. No. 104-88, § 103, 109 Stat. 803, 899 (1995) (codified at 49 U.S.C. §§ 14501(b)(1), (c)(1)).

The circuits agree that a state common-law claim against a broker for the alleged negligent selection of a motor carrier to provide motor vehicle transportation of property falls within the FAAAA's broad preemptive scope. The circuits are split, however, on the application of the savings clause's safety exception to the same claim. The resulting uncertainty undermines deregulation and burdens interstate commerce.

Therefore, the question presented is:

Does the savings clause's safety exception preserve a state common-law claim against a freight broker for the alleged negligent selection of a motor carrier

to provide motor vehicle transportation of property, thereby enabling the States to establish varying fitness standards for motor carriers operating in interstate commerce through their tort systems?

CORPORATE DISCLOSURE STATEMENT

Respondent C.H. Robinson Worldwide, Inc., has no parent corporation. Vanguard Group is the only publicly held company that owns 10% or more of C.H. Robinson Worldwide, Inc.'s stock.

Respondent C.H. Robinson Company, Inc.'s parent corporation is C.H. Robinson Worldwide, Inc. C.H. Robinson Worldwide, Inc., owns 10% or more of C.H. Robinson Company, Inc.'s stock.

Respondent C.H. Robinson International, Inc.'s parent corporation is C.H. Robinson Worldwide, Inc. C.H. Robinson Worldwide, Inc., owns 10% or more of C.H. Robinson International, Inc.'s stock.

Respondent "C.H. Robinson Company" does not exist and was incorrectly named in the original action. Therefore, C.H. Robinson Company has no parent corporation, and no publicly held company owns 10% or more of C.H. Robinson Company's stock.

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INTRODUCTION

Petitioner's request marks the fourth time that this Court has been asked to decide whether federal law permits the States to establish, through their tort systems, fitness standards for federally-licensed motor carriers hired by brokers in interstate commerce. The court below, relying on its earlier opinion in *Ye v. GlobalTranz Enterprises, Inc.*, correctly answered in the negative. 74 F.4th 453 (7th Cir. 2023), *cert. denied*, 144 S. Ct. 564 (2024). Nevertheless, the circuits are split on this question.

Furthermore, at least one state appellate court in the Seventh Circuit has failed to follow the precedent established on this federal question by the Seventh Circuit in *Ye*. *See Kaipust v. Echo Global Logistics, Inc.*, No. 1-24-0530, 2025 WL 1721661 (Ill. App. Ct. June 20, 2025). The resulting uncertainty over which motor carriers can be hired—by brokers or for that matter any other entity, such as the owner of freight that contracts directly with motor carriers—has a direct, adverse effect on interstate commerce that needs to be resolved by this Court.

Motor carriers play a vital role in interstate commerce and its domestic supply chains. Motor carriers deliver more than 70 percent of all freight transported in the United States. They bridge the gap between manufacturers, distributors, and consumers, ensuring that vast quantities of goods, from raw materials to finished products, reach their destinations when and where they are needed, as well as supporting just-in-time manufacturing and delivery practices. They connect rural communities with urban markets, facilitate trade, and contribute to logistics efficiencies.

The United States' ability to promote the domestic production of goods and address trade imbalances requires competitive and efficient domestic supply chains. In turn, efficient supply chains require efficient motor carrier services free from burdensome and balkanized state regulation. Congress sought to promote efficient, deregulated transportation services when it expressly preempted state laws relating to the prices, routes, and services of motor carriers, brokers, and freight forwarders. It intended for preemption to protect the then-recently deregulated motor carrier industry from balkanized replacement regulation by the States. The intrusion by the States, through their tort systems, into the fitness of motor carriers poses an imminent threat to the efficiency of domestic supply chains, the competitiveness of U.S. industry, and the free flow of interstate commerce.

In the savings clause's safety exception, 49 U.S.C. § 14501(c)(2)(A), Congress preserved the safety authority with respect to motor vehicles that the States exercised prior to deregulation. The States then did not have the authority, safety or otherwise, to set standards for the hiring of interstate motor carriers licensed by federal regulatory agencies. Accordingly, the savings clause's safety exception does not permit the States to exercise such authority now.

The circuits properly agree that common-law negligent hiring claims against brokers relate to the "price[s], route[s], or service[s] of any * * * broker * * * with respect to the transportation of property" and thus fall within the broad preemptive sweep of Section 14501(c)(1). However, the circuits are split—with the Ninth Circuit's decision in *Miller v. C.H. Robinson Worldwide, Inc.*, 976 F.3d 1016 (9th Cir. 2020), *cert. denied*, *C.H. Robinson Worldwide, Inc. v. Miller*,

142 S. Ct. 2866 (2022), leading the charge—as to whether these same claims are within the scope of the savings clause's preservation of "the safety regulatory authority of a State with respect to motor vehicles." This disagreement, which is echoed in the lower federal courts and various state courts, has produced unprecedented uncertainty in the interstate motor carrier industry, affecting the core business functions of freight brokers and impairing the efficiency of the trucking industry as a whole in its central role in interstate commerce and in the operation of supply chains throughout the United States.

Now is the time for this Court to provide certainty to the industry by resolving the conflict between the circuits on the question of the application of the savings clause's safety exception to state common-law negligent hiring claims against freight brokers. By affirming the court below, this Court can relieve interstate commerce of the burden created by *Miller* and its progeny, protect Congress's goals in deregulating the motor carrier industry, and quash an absurd construction of federal law that would permit a State to exercise greater authority over interstate commerce than over its own intrastate commerce.

For these reasons, Respondent[1] believes that certiorari is warranted in this case.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-10a) is reported at 124 F.4th 1053. The opinion of the district court (Pet. App. 11a-15a) is unreported.

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[1] Respondents C.H. Robinson Worldwide, Inc., C.H. Robinson Company, Inc., C.H. Robinson International, Inc., and C.H. Robinson Company are collectively referred to as Respondent.

JURISDICTION

The judgment of the court of appeals was entered on January 3, 2025. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 14501(b) of Title 49 of the United States Code provides:

> **(b) Freight forwarders and brokers.—**
>
> **(1) General rule.**—Subject to paragraph (2) of this subsection, no State or political subdivision thereof and no intrastate agency or other political agency of 2 or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to intrastate rates, intrastate routes, or intrastate services of any freight forwarder or broker.
>
> **(2) Continuation of Hawaii's authority.**—Nothing in this subsection and the amendments made by the Surface Freight Forwarder Deregulation Act of 1986 shall be construed to affect the authority of the State of Hawaii to continue to regulate a motor carrier operating within the State of Hawaii.

Section 14501(c) of Title 49 of the United States Code provides in pertinent part:

> **(c) Motor carriers of property.—**
>
> **(1) General rule.**—Except as provided in paragraphs (2) and (3), a State, political subdivision of a State, or political authority of 2 or more States may not enact or enforce a law, regulation, or other provision having the force

and effect of law related to a price, route, or service of any motor carrier * * * or any motor private carrier, broker, or freight forwarder with respect to the transportation of property.

(2) Matters not covered.—Paragraph (1)—

(A) shall not restrict the safety regulatory authority of a State with respect to motor vehicles, the authority of a State to impose highway route controls or limitations based on the size or weight of the motor vehicle or the hazardous nature of the cargo, or the authority of a State to regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization;

(B) does not apply to the intrastate transportation of household goods; and

(C) does not apply to the authority of a State or a political subdivision of a State to enact or enforce a law, regulation, or other provision relating to the regulation of tow truck operations performed without the prior consent or authorization of the owner or operator of the motor vehicle.

STATEMENT

1. Through a series of enactments in the late 1970s and 1980s, Congress deregulated the transportation industry by removing or reducing federal constraints on entry, pricing, and services. *See* Air Cargo Deregulation Act, Pub. L. No. 95-163, 91 Stat. 1278 (1977); Airline Deregulation Act of 1978, Pub. L.

No. 95-504, 92 Stat. 1705 (1978); Motor Carrier Act of 1980, Pub. L. No. 96-296, 94 Stat. 793 (1980); Staggers Rail Act of 1980, Pub. L. No. 96-448, 94 Stat. 1895 (1980); Bus Regulatory Reform Act of 1982, Pub. L. No. 97-261, 96 Stat. 1102 (1982); Surface Freight Forwarder Deregulation Act of 1986, Pub. L. No. 99-521, 100 Stat. 2993 (1986). Through deregulation, Congress sought to promote greater competition in the transportation industry by reducing regulatory barriers to market entry.[2] *Port Norris Exp. Co. v. I. C. C.*, 687 F.2d 803, 806 (3d Cir. 1982) (citing *Gamble v. I.C.C.*, 636 F.2d 1101, 1103 (5th Cir. 1981)).

Congress recognized that the imposition by the States of replacement controls not only would defeat the purposes and benefits of deregulation but also could lead to balkanized requirements that would impair the development and operation of efficient national transportation networks. Accordingly, when Congress codified the deregulation of the airline industry, including the air cargo sector, in the Airline Deregulation Act of 1978,[3] Congress preempted state regulation of air transportation to "ensure that the

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[2] The railroad industry is the exception. The Staggers Rail Act was intended "not to encourage more competition so much as to establish an environment where a financially weak industry could prosper." Christopher Clott & Gary S. Wilson, *Ocean Shipping Deregulation and Maritime Ports: Lessons Learned from Airline Deregulation*, 26 TRANSP. L.J. 205, 208 (1998).

[3] Deregulation of the air cargo sector began with the Air Cargo Deregulation Act. Together, that act and the Airline Deregulation Act "effectively dismantled the existing government regulatory scheme for the airline industry." Bruce G. Leto, *Administrative Law - Airline Deregulation - Deregulatory Scheme Had No Effect on the Applicable Substantive Law to Determine Liability of Shipper for Lost Shipment of Goods*, 30 VILL. L. REV. 890, 890 n.1 (1985).

States would not undo federal deregulation with regulation of their own." *Northwest, Inc. v. Ginsberg*, 572 U.S. 273, 280 (2014) (quoting *Morales v. Trans World Airlines, Inc.*, 504 U.S. 374, 378 (1992)).

In 1994, Congress concluded that state regulation of trucking was imposing an unreasonable burden on interstate motor carriers, *see City of Columbus v. Ours Garage & Wrecker Serv., Inc.*, 536 U.S. 424, 440 (2002) (citing Federal Aviation Administration Authorization Act of 1994, Pub. L. No. 103-305, § 601(a)(1), 108 Stat. 1569, 1605 (1994)), and sought to prevent the States from undermining federal deregulation of interstate trucking through a "patchwork of state service-determining laws, rules, and regulations," *Rowe v. N.H. Motor Transp. Ass'n*, 552 U.S. 364, 373 (2008), particularly state regulations that would erect "barriers to entry," *Cal. Trucking Ass'n v. Su*, 903 F.3d 953, 960-61 (9th Cir. 2018) (quoting *Dilts v. Penske Logistics, LLC*, 769 F.3d 637, 644 (9th Cir. 2014)). As a result, in the FAAAA, Congress preempted state regulation of the prices, routes, and services of motor carriers, Federal Aviation Administration Authorization Act of 1994, §§ 601(b), (c), 108 Stat. 1605-06, by "cop[ying] the language of the air-carrier pre-emption provision of the Airline Deregulation Act of 1978," *Rowe*, 552 U.S. at 370. And in 1995, Congress expanded the scope of FAAAA preemption to include the prices, routes, and services of freight brokers. ICC Termination Act of 1995, Pub. L. No. 104-88, § 103, 109 Stat. 803, 899 (1995). The resulting preemption provision is codified at 49 U.S.C. § 14501(c)(1).

In the FAAAA, Congress also enacted a savings clause to preserve a State's ability, inter alia, to exercise its "safety regulatory authority * * * with respect to motor vehicles." 49 U.S.C. § 14501(c)(2)(A).

This component of the savings clause, commonly known as the safety exception, preserves the States' "preexisting and traditional state police power" to regulate motor vehicle safety. *Ours Garage & Wrecker Serv., Inc.*, 536 U.S. at 439.

2. The application of the savings clause's safety exception to state common-law negligent hiring claims against brokers has been a subject of considerable debate in the lower courts. Three circuits have considered the question under near-identical facts but disagree on the result.

In *Miller v. C.H. Robinson Worldwide, Inc*., the Ninth Circuit—the first circuit court to consider the issue—concluded that the safety exception allowed state common-law claims against brokers for negligent selection of a motor carrier. 976 F.3d 1016. It reasoned that the safety exception's scope encompasses all regulations that "are 'genuinely responsive' to the safety of other vehicles," whether or not they directly regulate motor vehicles. *Id.* at 1030 (quoting *Cal. Tow Truck Ass'n v. City & Cnty. of San Francisco*, 807 F.3d 1008, 1023 (9th Cir. 2015)). In other words, a state law's connection to motor vehicles need not be a direct one—rather, it need only "promote safety on the road." *Id.* And because the negligence claim at issue arose out of a motor vehicle accident, it possessed the "requisite 'connection with' motor vehicles" to fall within the safety exception's scope. *Id.* at 1031. The court did not consider the implications of its interpretation in light of Section 14501(b).

The next circuit court to consider the issue reached the opposite conclusion. In *Aspen American Insurance Co. v. Landstar Rangers, Inc.*, the Eleventh Circuit determined that the phrase "'with respect to motor vehicles' limits the safety exception's application to

state laws that have a *direct* relationship to motor vehicles." 65 F.4th 1261, 1271 (11th Cir. 2023). The necessity for a direct relationship placed the plaintiff's negligent selection claim against the broker outside the reach of the safety exception because, in the court's view, broker services have no direct connection to motor vehicles. *Id.* at 1272. The Eleventh Circuit followed this same reasoning approximately 15 months later in *Gauthier v. Hard to Stop LLC*, No. 22-10774, 2024 WL 3338944 (11th Cir. July 9, 2024), *cert. denied sub nom. Gauthier v. Total Quality Logistics, LLC*, 145 S. Ct. 1062 (2025).

The Seventh Circuit addressed the application of the safety exception in *Ye v. GlobalTranz Enterprises, Inc*. It sided with the Eleventh Circuit, holding that the safety exception "requires state laws to have a direct link to motor vehicles to be saved from the preemption provision in [Section] 14501(c)(1)." *Ye*, 74 F.4th at 464. Thus, it deemed the connection between a broker hiring standard and motor vehicles "too attenuated" to save the plaintiff's negligent hiring claim. *Id.* at 462. It did note the express preemption provision applicable to brokers in Section 14501(b). *Id.* at 461. The Seventh Circuit declined to reconsider *Ye* when it affirmed the district court's decision in this case. Pet. App. 9a-10a.

Notably, all three circuits agree on one thing—that state common-law claims against brokers for negligent hiring are preempted under Section 14501(c)(1). *Ye*, 74 F.4th at 459 (claim is preempted because enforcement of the claim "would have a significant economic effect on broker services" by "subjecting a broker's hiring decisions to a common-law negligence standard"); *Aspen*, 65 F.4th at 1267 (plaintiff's negligence claims challenged "[a] 'core' part" of a

broker's "transportation-preparation service"—namely, "selecting the motor carrier who will do the transporting" (internal citation omitted)); *Miller*, 976 F.3d at 1024 (negligence claim is "directly 'connect[ed] with' broker services" because it "seeks to interfere at the point at which [the broker] 'arrang[es] for' transportation by motor carrier" (internal citation omitted)).[4]

3. Respondent is a freight broker. Respondent arranges for the shipment of goods for its customers (shippers) by, among other things, hiring motor carriers to provide motor vehicle transportation. Pet. App. 12a. Respondent hires only motor carriers. It does not hire, own, or operate motor vehicles, or hire drivers of motor vehicles.

In the case below, Petitioner was injured when his truck was hit by a tractor-trailer operated by a driver employed by Caribe Transport II, LLC (Caribe), a motor carrier, who was hauling a shipment arranged by Respondent. *Id.* at 1a. Petitioner sued the driver, Caribe, and Respondent, alleging that Respondent negligently hired Caribe and Caribe's driver. *Id.* at 2a-3a.

After the district court denied Respondent's motion to dismiss Petitioner's negligent hiring claims on

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[4] Their consensus is not surprising. The general standard for determining whether a state law relates to prices, routes, or services, and is thus preempted, is well settled. *See Morales,* 504 U.S. at 383-84 (construing analogous provisions of the Airline Deregulation Act to reflect a broad and deliberately expansive preemptive purpose, requiring that the statute preclude state law claims "having a connection with, or reference to, airline 'rates, routes, or services'"); *see also Rowe,* 552 U.S. at 370-71 (holding that the standard enunciated in *Morales* governs the preemptive scope of the similarly-worded FAAAA).

preemption grounds, *id.* at 12a, the Seventh Circuit decided *Ye*. Respondent moved the district court for judgment on the pleadings on the grounds that the Seventh Circuit's decision necessitated judgment for Respondent based on its affirmative defense of FAAAA preemption. Following this Court's denial of certiorari in *Ye*, the district court, relying on *Ye*, declared Petitioner's negligent hiring claims preempted by the FAAAA and entered judgment in Respondent's favor on those claims. *Id.* at 13a. Petitioner appealed, and the court of appeals affirmed. *Id.* at 9a-10a.

ARGUMENT

The Seventh, Ninth, and Eleventh Circuits have adopted conflicting interpretations of the safety exception in the FAAAA's savings clause. In the Seventh and Eleventh Circuits, the safety exception does not preserve common-law negligent hiring claims because such claims lack a direct relationship to motor vehicles. In the Ninth Circuit, the safety exception protects these common-law claims from preemption because they are at least indirectly connected to motor vehicles. *This* question warrants review by the Court.

The Seventh and Eleventh Circuits have it right. Their approach is consistent with the statutory text and the preemption scheme, ensuring that Congress's deregulation of the trucking industry is not eroded by state regulation that determines which motor carriers may be hired by freight brokers (or for that matter, shippers) without the imposition of significant tort liability.

On the other hand, the Ninth Circuit's approach impermissibly narrows the reach of federal preemption. Brokers select motor carriers, not drivers or the vehicles themselves. Thus, *Miller* permits the States,

through the guise of safety, to establish minimum fitness standards for motor carriers, thereby controlling which motor carriers are in (and out) of the freight transportation market.

The inherent danger in the Ninth Circuit's approach is clear. "[D]ifferent juries in different States [will] reach different decisions on similar facts," introducing "uncertainty and even conflict." *Geier v. Am. Honda Motor Co.*, 529 U.S. 861, 871 (2000). A constantly-shifting, uncertain, and conflicting patchwork of state negligence doctrines will replace considerations of cost, efficiency, innovation, and service quality in brokers' motor carrier hiring decisions and could "even require brokers to effectively eliminate some motor carriers from the transportation market altogether." *Miller*, 976 F.3d at 1032 (Fernandez, J., concurring in part and dissenting in part) (warning that brokers will be forced to evaluate and screen motor carriers "according to the varied common law mandates of myriad states"). State-imposed barriers to the selection of motor carriers, and therefore their entry into the market, clearly undermine one of the central goals of deregulation.

Freight transportation is vital to the economy, and freight brokers are essential intermediaries in that sector, connecting shippers with carriers to facilitate the movement of goods. They act as a bridge, negotiating rates, arranging transportation, and facilitating the logistics of a shipment from pickup to delivery. Freight brokers arrange for the transportation of goods across state lines and across circuits. The current circuit split forces brokers to attempt to make decisions in response to the potential application of varying motor carrier fitness standards, simply to protect against the tort liability that *may* attach if an

accident occurs in a jurisdiction that permits common-law negligent hiring claims against brokers.

There is no need for the Court to wait any longer to provide clarity to the industry. Respondent urges the Court to take this case and affirm the interpretation of the savings clause's safety exception adopted by the Seventh and Eleventh Circuits.

I. The Seventh and Eleventh Circuits' interpretation of the savings clause's safety exception is consistent with the statutory text.

The "plain wording" of an express preemption clause "necessarily contains the best evidence of Congress'[s] pre-emptive intent." *Puerto Rico v. Franklin Cal. Tax-Free Tr.*, 579 U.S. 115, 125 (2016). Consistent with this principle, the Seventh and Eleventh Circuits' interpretation of the scope of the savings clause's safety exception to encompass only those state laws with a direct link to motor vehicle safety follows directly from the statutory text.

The phrase "with respect to motor vehicles" limits the scope of the safety exception. In *Dan's City Used Cars, Inc. v. Pelkey*, this Court concluded that Section 14501(c)(1)'s use of the phrase "with respect to the transportation of property" "massively limit[ed] the scope of preemption." 569 U.S. 251, 261 (2013) (quoting *Ours Garage & Wrecker Serv., Inc.*, 536 U.S. at 449 (Scalia, J., dissenting)). As the Eleventh Circuit noted, it would make little sense for Congress to use the phrase "with respect to" in two consecutive subsections of a statute and intend the phrase to take on two different meanings. *Aspen*, 65 F.4th at 1271. Thus, the phrase "with respect to motor vehicles" must impose a "meaningful limit" on the scope of the safety exception. *Id.*; *see Ye*, 74 F.4th at 460.

The phrase "with respect to motor vehicles" provides that necessary, meaningful limit by requiring a direct link between the state law and motor vehicles themselves. It "narrow[s] the scope of the [safety] exception to those laws concerning" motor vehicles. *Ye*, 74 F.4th at 461. Brokers do not hire motor vehicles or their drivers. Brokers and broker services are not mentioned in the savings clause, 49 U.S.C. § 14501(c)(2)(A), or the definition of "motor vehicles," 49 U.S.C. § 13102(16) (defining "motor vehicle" to mean a "vehicle, machine, tractor, trailer, or semitrailer * * * used on a highway in transportation"). The other exceptions to express preemption also omit brokers and broker services.[5] *Ye*, 74 F.4th at 461. Thus, the courts must "draw the line where Congress did—at state safety regulations directly related to 'motor vehicles.'" *Id.* at 462.

A broader examination of the entire statute confirms the intentionally limited scope of the safety exception. In a companion statutory provision, Congress expressly preempted state laws related to *intrastate* rates, routes, and services of freight forwarders and brokers, but it declined to include an exception for a State's safety regulatory authority in that provision.[6]

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[5] Petitioner argues that the absence of brokers is insignificant because the safety exception does not refer to persons at all, not even motor carriers or drivers. Pet. 20. But the safety exception does refer to motor vehicles. "Motor carriers" provide "motor vehicle transportation." 49 U.S.C. § 13102(14). Brokers do not. *See id.* § 13102(2) (defining broker as a person "other than a motor carrier or an employee or agent of a motor carrier").

[6] Before enactment of the FAAAA, this statutory provision applied only to freight forwarders and expressly preempted state laws relating to the *interstate* rates, routes, and services of freight forwarders. Surface Freight Forwarder Deregulation Act of 1986, § 11 (a), 100 Stat. 2997 (adding new subsection (g) to 49 U.S.C.

"Congress's decision not to write a safety exception for the broker-specific preemption provision [for intrastate services] indicates a purposeful separation between brokers and motor vehicle safety." *Id.* at 461. In the Seventh Circuit's view, this is a "telling omission given that Congress included safety exceptions to the parallel preemption provisions for motor carriers of property * * * and motor carriers of passengers." *Id.* (citing 49 U.S.C. §§ 14501(a)(2), (c)(2)(A)).

Requiring a direct relationship between the state law and motor vehicles also is the only way to give operative effect to the phrase "with respect to motor vehicles." *Aspen*, 65 F.4th at 1271 (citing *United States v. Canals-Jiminez*, 943 F.2d 1284, 1287 (11th Cir. 1991) (statutes should not be interpreted in a manner that renders words or phrases "meaningless, redundant, or mere surplusage")). Every state law within the scope of the preemption provision arguably has at least some indirect relationship to motor vehicles, since motor carriers transport property by motor vehicle, and brokers and freight forwarders contract with motor carriers for the transportation of property

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§ 11501, which provided that "no State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to interstate rates, interstate routes, or interstate services of any freight forwarder"). The ICC Termination Act of 1995 recodified Section 11501(g) as Section 14501(b), replaced "interstate" with "intrastate" in each instance, and added brokers to its coverage. ICC Termination Act of 1995, § 103, 109 Stat. 899. Then, as now, Congress did not limit this express preemption with a safety exception.

In contrast, as the Seventh Circuit noted, Congress *did* limit its express preemption of state laws relating to passenger motor carrier scheduling, implementation of rate changes, and charter authority with a safety exception. 49 U.S.C. § 14501(a)(2).

by motor vehicle. Necessarily, then, the prices, routes, and services of motor carriers, brokers, and freight forwarders are connected, at least indirectly, to motor vehicles. *Id.* If a state law only needed an indirect relationship with motor vehicles to be a law "with respect to motor vehicles," every preempted state safety law would be a law "with respect to motor vehicles," and the phrase "with respect to motor vehicles" would have no operative effect. *Id.* Similarly, if the first portion of the savings clause preserved any state safety law indirectly connected to motor vehicles, Congress's separate allowance in that same subsection for state authority over state highway route controls and cargo limits "would almost certainly be redundant because such controls and limits are indirectly related to motor vehicle safety, too."[7] *Id.* at 1272.

The Ninth Circuit's contrary conclusion stretches the clause's safety exception far beyond the plain text of Section 14501. Relying on its own precedent and a presumption against preemption, the Ninth Circuit determined that the safety exception rescues state safety regulations that have a direct or indirect connection with motor vehicles. *Miller*, 976 F.3d at 1027-30. And an indirect connection with motor vehicles, in the court's view, encompasses regulations "that are 'genuinely responsive' to the safety of other vehicles and individuals," like criminal history dis-

[7] The same could be said for the final portion of Section 14501(c)(2)(A), which preserves state authority to "regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization." 49 U.S.C. § 14501(c)(2)(A). Certainly, insurance requirements to cover accidents resulting from the operation of a motor vehicle are at least indirectly related to motor vehicle safety.

closure requirements for tow truck drivers. *Id.* at 1030 (quoting *Cal. Tow Truck Ass'n*, 807 F.3d at 1023).

Judge Fernandez disagreed with the majority in *Miller*. *Id.* at 1031-32 (Fernandez, J., concurring in part and dissenting in part). In his view, negligence claims against freight brokers are "with respect to" broker services, and broker services are "only tangentially 'relat[ed]to' or 'connect[ed] with' motor vehicles." *Id.* at 1031 (alteration in original). Presciently, he warned that allowing negligent hiring claims against brokers to avoid preemption would strike at the heart of Congress's deregulatory scheme because they would require brokers to "evaluate and screen motor carriers" according to "a parallel regulatory regime" defined by the "varied common law mandates of myriad states" and even to "effectively eliminate some motor carriers from the transportation market altogether." *Id.* at 1032. He also recognized another danger in the *Miller* majority's approach. Under the majority's expansive reading of the safety exception, "one can envision an almost unending series of connections." *Id.* at 1031-32. A safety exception that saves claims against brokers for negligent selection also would expose companies that arrange their own transportation of goods (shippers) to negligent selection liability.

As the Ninth Circuit later acknowledged, its decision in *Miller* incorrectly probed beyond the plain wording of Section 14501. *R.J. Reynolds Tobacco Co. v. Cnty. of Los Angeles*, 29 F.4th 542, 553 n.6 (9th Cir. 2022) (declining to repeat *Miller*'s use of a presumption against preemption as inconsistent with *Puerto Rico*, 579 U.S. 115); *see Ye*, 74 F.4th at 465. The Ninth Circuit should have focused on the meaning of Section 14501's text "without any presumptive thumb

on the scale," *R.J. Reynolds Tobacco Co.*, 29 F.4th at 553 n.6, as both the Eleventh and Seventh Circuits did. Nevertheless, as an Illinois state appellate court recently confirmed in *Kaipust v. Echo Global Logistics, Inc.*, the *Miller* decision continues to create uncertainty and impose burdens on interstate commerce.

II. The statutory text, legislative history, and this Court's precedent all confirm the Seventh and Eleventh Circuits' interpretation of Section 14501(c)(2)(A).

1. Section 14501(c)(2)(A) is a savings clause. The clause's safety exception "saves" or preserves state regulatory authority over motor vehicle safety from the operation of Congress's expansive preemption of state laws related to the prices, routes, and services of motor carriers, freight forwarders, and brokers. *Ours Garage & Wrecker Serv., Inc.*, 536 U.S. at 442.

The statutory text confirms that Section 14501(c)(2)(A) operates as a savings clause. Congress declared that preemption "shall not *restrict*" a State's motor vehicle safety regulatory authority.[8] 49 U.S.C. § 14501(c)(2)(A) (emphasis added). In *Ours Garage*, this Court regarded the phrase "shall not restrict" as indicating Congress's intent to preserve the "preexisting and traditional state police power over safety." 536 U.S. at 439. It noted that the States' preexisting power

[8] This textual feature of Section 14501(c)(2)(A) differentiates it from the other limitations to preemption in Section 14501(c). *Ours Garage & Wrecker Serv., Inc.*, 536 U.S. at 435, 438 (contrasting Section 14501(c)(2)(A), which says that express preemption "'does not restrict' the *existing* 'safety regulatory authority of a State,'" with Sections 14501(c)(2)(B) and (C), which provide that express preemption "does not apply" to "state or local power to regulate in particular areas").

"typically includes the choice to delegate the State's 'safety regulatory authority' to localities." *Id.* Thus, according to the statutory text, preemption did not restrict—i.e., the savings clause saved from preemption—that aspect of the States' preexisting authority.

The legislative history also confirms that Section 14501(c)(2)(A) operates as a savings clause. In the House Conference Report to the FAAAA, the conferees emphasized that the clause would leave state regulatory authority over safety "unchanged." They further noted that the clause did not "grant [new] Federal authority to a State to regulate commerce" and did not change in any way "other Federal statutes that govern the ability of States to impose safety requirements, hazardous materials routing matters, truck size and weight restrictions or financial responsibility requirements relating to insurance or any other unenumerated authority not preempted by these sections." H.R. CONF. REP. 103-677, at 83 (1994), *reprinted in* 1994 U.S.C.C.A.N. 1715, 1755. In other words, Congress intended to preserve the States' regulatory authority over motor vehicle safety *as it existed* under federal regulation of the transportation industry. It follows that Section 14501(c)(2)(A) saves from preemption *only* the safety regulatory authority of a State that it possessed prior to deregulation.

Negligent hiring claims against brokers cannot be saved because the FAAAA's savings clause cannot preserve what did not exist. Prior to deregulation, Congress imposed pervasive federal regulation on the motor carrier industry. *Castle v. Hayes Freight Lines*, 348 U.S. 61, 63 (1954) ("Congress in the Motor Carrier Act [of 1935] adopted a comprehensive plan for regulating the carriage of goods by motor truck in

interstate commerce. The federal plan of control was so all-embracing that former power of states over interstate motor carriers was greatly reduced."). Congress preempted the field, leaving the States no authority to establish criteria that would determine which motor carriers could hold out and perform their services. *Id.* ("No power at all was left in states to determine what carriers could or could not operate in interstate commerce."). The States *did not have* the authority to establish fitness standards for motor carriers prior to deregulation. Permitting the States to establish fitness standards for motor carriers through the back door of the tort system would give the States the authority to do what they were expressly prohibited from doing prior to deregulation, in direct contravention of the statutory text, legislative history, and this Court's decision in *Ours Garage*.

2. When considering whether a state law is rescued by a savings clause, the court must decide what role the savings clause plays in the statute's preemption scheme. *See Geier*, 529 U.S. at 870. The result reached by the Seventh and Eleventh Circuits—that Section 14501(c)(1) preempts, and Section 14501(c)(2)(A) does not save, negligent hiring claims against brokers—is exactly what the statute's preemption scheme demands.

Congress deregulated the motor carrier industry to promote maximum reliance on competitive market forces. In 1980, Congress significantly reduced federal barriers to market entry, *see Gamble*, 636 F.2d at 1102-03 (in passing the Motor Carrier Act of 1980, Congress sought to "promote greater competition by allowing easier carrier entry"), thereby increasing "opportunities for new carriers to get into the trucking business and for existing carriers to expand their

services," *Hudson Transit Lines, Inc. v. I.C.C.*, 765 F.2d 329, 332-33 (2d Cir. 1985) (quoting H.R. REP. 96-1069, at 3 (1980), *reprinted in* 1980 U.S.C.C.A.N. 2283, 2285). The elimination of governmental constraints on entry is among the most important features of a deregulated and efficient marketplace. New entrants can and will discipline and challenge inefficiencies and potential anticompetitive conduct by entrenched operators, as well as offer new services to stimulate the market and respond to market changes.

Almost fifteen years later, and with a particular concern for stopping state "barriers to entry," Congress passed the FAAAA to prevent the States from "undermining federal deregulation of interstate trucking through a patchwork of state regulations." *Cal. Trucking Ass'n*, 903 F.3d at 960-61 (quoting *Dilts*, 769 F.3d at 644). The FAAAA expressly preempts state laws that would stymie Congress's overarching, deregulatory purpose. *See Morales,* 504 U.S. at 383-84. State laws that impose barriers to entry into the market are antithetical to Congress's deregulatory goals.

3. Congressional action with respect to the motor carrier industry has always had, as a primary goal, the elimination of non-uniform regulation of motor carriers.[9] Today, federal motor carrier authority is premised on a motor carrier's willingness and ability to comply with, among other things, federal safety regulations and safety fitness requirements, 49 U.S.C.

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[9] The Motor Carrier Act of 1935 grew out of congressional concern for the lack of uniform regulation of the motor carrier industry and resulting allegations of "disturbing abuses and concerns in both the economic and safety arenas." Hours of Service of Drivers, 61 Fed. Reg. 57252, 57253 (Nov. 5, 1996).

§ 31134 (requirement for registration and USDOT number); 49 U.S.C. § 13902 (registration of motor carriers), and Congress specifically assigned the Secretary of Transportation the responsibility to determine whether motor carrier operators and owners are fit to operate commercial motor vehicles safely in interstate commerce, Motor Carrier Safety Act of 1984, Pub. L. No. 98-554, § 215, 98 Stat. 2829, 2844-45 (1984) (codified, as amended, at 49 U.S.C. § 31144) (the Safety Act). Today, the Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) administers and enforces this authority through its safety fitness procedures, including its New Entrant Safety Assurance Program.

Allowing negligent hiring claims against brokers to escape preemption is antithetical to the federal statutory safety scheme established by the Safety Act. Tort liability for negligent selection of a motor carrier imposes a duty to examine the fitness of the motor carrier to avoid foreseeable harm (i.e., a highway accident). The determination of whether a broker satisfies that duty would necessarily require a state court to establish standards for evaluating the fitness of a motor carrier (including what is commonly known as a carrier's compliance disposition or record). These standards will vary from state to state (and even jury to jury), creating inconsistency and uncertainty for entities doing business with motor carriers.[10] The

[10] "[C]ommon-law claims typically regulate behavior by imposing broad standards of conduct." *Miller*, 976 F.3d at 1025 (citing *Medtronic, Inc. v. Lohr*, 518 U.S. 470, 489 (1996)). And "courts adjudicating common-law claims can create just as much uncertainty and inconsistency in a carefully calibrated federal regulatory framework as can state legislatures enacting statutes or state agencies promulgating regulations." *Brown v. United Airlines, Inc*., 720 F.3d 60, 66 (1st Cir. 2013). Here, because the

result would be a patchwork of state service-determining regulation that chills the ability of new entrants to attract customers and creates barriers to marketplace competition. In other words, it imposes new barriers to entry into trucking markets—countering the very purpose of Congress's deregulatory scheme.

Since 1935, Congress has regulated financial security requirements for motor carriers and brokers. Motor Carrier Act of 1935, Pub. L. No. 74-255, § 1, 49 Stat. 543, 554, 557 (1935). Today, the FMCSA administers and enforces these federal financial security requirements. A federally registered motor carrier must, among other things, insure against "bodily injury to, or death of, an individual resulting from the negligent operation, maintenance, or use of motor vehicles, or for loss or damage to property," or both. 49 U.S.C. § 13906(a)(1). A federally registered broker, on the other hand, only must hold a surety bond or other financial security to pay claims arising from the broker's failure to pay freight charges under its contracts, agreements, or arrangements for transportation. *Id.* § 13906(b). Thus, the federal statutory safety regime requires (and has always required) *motor carriers* to assume financial responsibility for motor vehicle safety risks by insuring against liability for bodily injury or death or loss of or damage to property resulting from the negligent operation, maintenance, or use of motor vehicles. It does not require (and has never required) brokers to do the same.

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measure of fitness is state negligence law, the determination of whether an interstate motor carrier is "fit to operate" (or "fit to hire") would require consideration of likely conflicting court decisions and jury verdicts in numerous states.

After deregulation,[11] Congress also defined the role of the States in establishing minimum amounts of financial responsibility. Today, the required minimum financial responsibility amounts for motor carriers are governed by the higher of the amounts prescribed by the Secretary of Transportation or the "laws of the state or states in which the motor carrier operates." *Id.* § 13906(a)(1). For brokers, however, the Secretary of Transportation sets the form and amount of required financial security. *Id.* § 13906(b) (requiring financial security "in a form and amount, and from a provider, determined by the Secretary to be adequate to ensure financial responsibility"). Consistent with this separation, the FAAAA envisions state authority to "regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization," 49 U.S.C. § 14501(c)(2)(A), but does not leave any room for state authority with regard to financial responsibility of brokers, *id.* §§ 14501(b), (c). The federal statutory safety regime simply does not foresee or recognize state law or regulation imposing financial responsibility and insurance requirements on brokers (including any requirement that a broker insure against liability for bodily injury or death resulting from the negligent operation, maintenance, or use of motor vehicles), much less one naming brokers *de facto* insurers of

[11] In the Truck and Bus Safety and Regulatory Reform Act of 1988, Congress amended former Section 10927(a)(1) to require motor carrier security in an amount prescribed by "the Secretary of Transportation * * * pursuant to, or as is required by, section 30 of the Motor Carrier Act of 1980, section 18 of the Bus Regulatory Reform Act of 1982, and the laws of the State or States in which the carrier is operating, to the extent applicable." Pub. L. No. 100-690, Title IX, § 9111(h), 102 Stat. 4181, 4534 (1988).

motor carriers.[12] This strongly suggests that a state common-law negligent hiring claim against a broker, which in effect requires brokers to insure against liability for bodily injury or death, is not within the intended scope of the savings clause's safety exception.[13]

4. The Ninth Circuit's approach to application of the savings clause's safety exception to negligent hiring claims against brokers is untenable when examined in the context of the broader statutory scheme and the evolution of Congress's deregulation of the industry.

As the *Ye* court recognized, Section 14501(b)(1) addresses preemption of state laws relating to the *intrastate* rates, routes, and services of freight forwarders and brokers. 49 U.S.C. § 14501(b)(1); *see Ye*, 74 F.4th at 461. The current version of Section 14501(b) originated from a substantially similar provision passed by Congress as part of the Surface Freight Forwarder Deregulation Act of 1986. In that act, Congress added a new subsection (g) to the prior

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[12] Such a law would be doubly preempted—expressly preempted by the FAAAA, *see Pro. Towing & Recovery Operators of Ill. v. Box*, 965 F. Supp. 2d 981, 1004 (N.D. Ill. 2013) (federal law preempted state law prohibiting towing company from including in contracts provisions that waived or limited liability of the company because prohibition of waiver or limitation of liability was related to company's prices and had no discernible safety motive), and preempted by virtue of its conflict with Congress's determination of the necessary financial security requirements for brokers set forth in Section 13906.

[13] Congressional intent and purpose counsel against the use of the savings clause's safety exception to "save" negligent hiring claims from preemption. *Altria Grp., Inc. v. Good*, 555 U.S. 70, 76 (2008) (the ultimate touchstone of a statute's preemptive effect is congressional purpose).

Section 11501 preempting state laws relating to *interstate* rates, routes, and services of freight forwarders.[14] Surface Freight Forwarder Deregulation Act of 1986, § 11(a), 100 Stat. 2997. Congress did not limit its preemption of state law for freight forwarders with a safety exception.[15]

Then, in the FAAAA, Congress enacted the precursor to what is Section 14501(c) today by adding a new subsection (h) to the prior Section 11501 preempting state laws relating to prices, routes, and services of motor carriers.[16] Federal Aviation Administration Authorization Act of 1994, § 601(c),

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[14] As enacted, the provision provided that "no State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to *interstate* rates, *interstate* routes, or *interstate* services of any freight forwarder." Surface Freight Forwarder Deregulation Act of 1986, § 11(a), 100 Stat. 2997 (emphasis added).

[15] In every iteration of this section, Congress tempered its broad preemption with a single limitation that has nothing to do with the safety regulatory authority of a State. *See* 49 U.S.C. § 14501(b)(2) (providing that nothing in Section 14501(b)(1) "shall be construed to affect the authority of the State of Hawaii to continue to regulate a motor carrier operating within the State of Hawaii"); Surface Freight Forwarder Deregulation Act of 1986, § 11(a), 100 Stat. 2997 (same).

[16] As enacted, the provision provided that "a State, political subdivision of a State, or political authority of 2 or more States may not enact or enforce a law, regulation, or other provision having the force and effect of law related to a price, route, or service of any motor carrier (other than a carrier affiliated with a direct air carrier covered by section 41713(b)(4) of this title) or any motor private carrier with respect to the transportation of property." Federal Aviation Administration Authorization Act of 1994, § 601(c), 108 Stat. 1606.

108 Stat. 1606. Congress limited its preemption of state law for motor carriers with a safety exception.

Next, in the ICC Termination Act of 1995, Congress recodified the freight forwarder preemption provision, Section 11501(g), as Section 14501(b), replaced "interstate" with "intrastate" in each instance, and added brokers to its coverage. ICC Termination Act of 1995, § 103, 109 Stat. 899. Congress also recodified the motor carrier preemption provision, Section 11501(h), as Section 14501(c) and added brokers and freight forwarders to the scope of the provision's express preemption of state law. *Id.* Congress did not, however, make any changes to the savings clause's safety exception.

History shows that Congress revisited, on several different occasions, the preemption framework that is currently reflected in Section 14501. Today's Section 14501 evolved from prior statutory language that applied the safety exception only to Congress's express preemption of motor carrier prices, routes, and services. When Congress later addressed brokers in the statute, it added brokers to Sections 14501(b)(1) and (c)(1), but it did not confine the scope of Section 14501(b)(1)'s express preemption with a safety exception. Congress's repeated decision *not* to include a safety exception in the broker-specific language of Section 14501(b) related to intrastate rates, routes, and services confirms that Congress also intended that the safety exception in Section 14501(c) would not apply to brokers.

This history renders the Ninth Circuit's reading of the safety exception indefensible. Following the Ninth Circuit's approach requires one to accept that Congress preserved state authority to regulate a broker's selection of a motor carrier for interstate transportation but not for intrastate rates, routes, or

services. Such a result is absurd and directly conflicts with basic norms of federalism.

III. The uncertainty created by *Miller* and its progeny burdens interstate commerce and undermines the benefits of deregulation.

Congress envisioned that deregulation and preemption together would "help[ ] ensure transportation rates, routes, and services * * * reflect 'maximum reliance on competitive market forces,' thereby stimulating 'efficiency, innovation, and low prices,' as well as 'variety' and 'quality.'" *Rowe*, 552 U.S. at 371 (quoting *Morales*, 504 U.S. at 378). For decades, these objectives have been realized. Deregulation led to "a wave of carrier and network restructuring, new market entrants, mergers and consolidations, greater efficiencies in the use of labor and equipment, and price reductions for shippers" and "facilitated the growth of multimodal solutions to improve freight mobility." *The Freight Story: Freight Transportation in a Changing Business Environment*, https://ops.fhwa.dot.gov/freight/publications/fhwaop03004/change.htm#:~:text=Deregulation%20in%20the%20air%20transportation,develop%20hub%20and%20spoke%20operations (last visited June 22, 2025).

Competitive and efficient freight transportation will be vital to the realization of U.S. trade policy to increase reliance on domestic production and supply chains. The current circuit conflict stymies those efforts. Enforcement of state common-law negligent hiring claims against brokers will reduce competition in the freight transportation industry, as brokers and other purchasers of motor carrier services make hiring decisions based on the threat of substantial tort liability. With fewer motor carriers competing for

business, the remaining motor carriers can charge higher rates, and the increased costs will be passed on to manufacturers, retailers, and ultimately consumers. They will have less incentive to offer fast, reliable, customer-friendly services, leading to more delays and less flexible scheduling. Less competition will reduce the pressure to innovate, and service improvements will stagnate. The U.S. freight transportation industry will become less accessible, less resilient, and more vulnerable to disruption.

Confusion over the scope of the safety exception presents an imminent threat to Congress's deregulation of the transportation industry. This Court should grant review now to resolve the conflict.

CONCLUSION

The petition for writ of certiorari should be granted to affirm the decision of the court below and resolve the question whether 49 U.S.C. § 14501(c)(2)(A) preserves a state common-law claim against a freight broker for the alleged negligent selection of a motor carrier to provide motor vehicle transportation of property.

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