LUCOSKY BROOKMAN

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Texas / Southern District
Court recommends summary judgment for trailer owner, rejecting negligent entrustment and direct-liability claims.

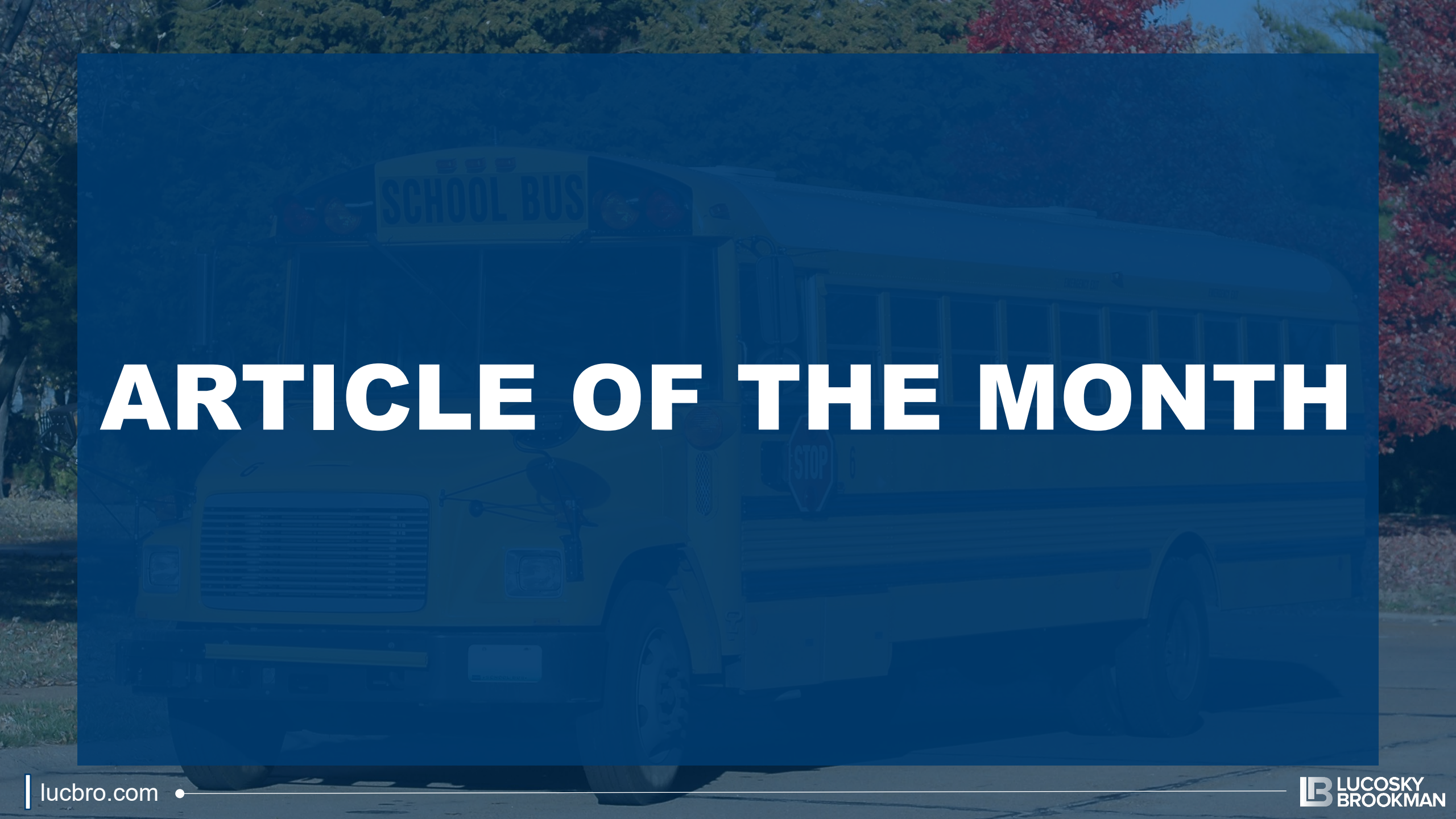
Navarrete v. TA Dedicated, Inc., 2026 U.S. Dist. LEXIS 53062 (S.D. Tex. Jan. 30, 2026)
The Court recommended granting summary judgment in favor of TA Dedicated, the trailer owner, in a trucking accident case arising from a stop-sign collision. Plaintiff asserted claims for negligent entrustment, hiring, training, and respondeat superior against TA. The Court found no evidence that TA employed or controlled the driver, who was hired and supervised by motor carrier CFI, and held that liability turns on the right to control, not mere ownership of the trailer. It further rejected the negligent entrustment claim, concluding TA entrusted the trailer to CFI, not the driver, and had no duty to independently vet CFI's drivers. Because the trailer itself did not contribute to the accident, all claims against TA were dismissed.

Maryland / District of Maryland
Court grants in part summary judgment in multi-defendant trucking case, narrowing negligent hiring and related claims.

Yoder v. Conaway Racing & Trucking, LLC, 2026 U.S. Dist. LEXIS 53130 (D. Md. Mar. 16, 2026)
The Court granted in part and denied in part defendants' motion for partial summary judgment arising from a highway collision caused when cattle escaped from a burning tractor-trailer and entered Interstate 40. Although Flatfoot admitted the driver was acting within the scope of employment, the Court held plaintiffs could pursue direct negligence claims based on evidence suggesting possible failures in inspection and maintenance, including testimony that a brake or bearing failure caused the trailer fire. The Court rejected plaintiffs' reliance on alleged hiring and drug-testing deficiencies as unrelated to the accident and therefore insufficient to bypass the Elrod doctrine. Punitive damages were dismissed, as the record contained no clear and convincing evidence of reckless or malicious conduct.

New Jersey / District of New Jersey
Court reinstates declaratory judgment action addressing coverage obligations in underlying trucking accident litigation.

Drive N.J. Ins. Co. v. Conaway Racing & Trucking, LLC, 2026 U.S. Dist. LEXIS 53412 (D.N.J. Mar. 16, 2026)
The Court granted the insurer's motion to reinstate a declaratory judgment action seeking to determine coverage obligations arising from a tractor-trailer accident. The insurer alleges the involved tractor and trailer were not scheduled on the policy at the time of the collision and therefore fall outside coverage, despite being added shortly after the incident without retroactive effect. The action also raises issues regarding the applicability of the MCS-90 endorsement, with the insurer arguing it is not triggered because the shipment involved purely intrastate transportation of non-hazardous goods. The Court found the matter appropriate to proceed, allowing resolution of key coverage and indemnity issues tied to the underlying liability case.



ARTICLE OF THE MONTH

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Supreme Court Hears Argument on Broker Liability Issue in Montgomery v. Caribe.

By: Steven Saal, Partner

On Wednesday, March 5, 2026, the United States Supreme Court heard oral arguments in the matter of Montgomery v. Caribe Transport II, LLC et al, Docket 24-1192. This issue previously came to a head while the petition for a Writ of Certiorari, filed on June 2, 2025, was pending before the Court when the Sixth Circuit Court of Appeals' July 8, 2025 decision in Cox v. Total Quality Logistics, Inc. held that "where a negligent hiring claim against a broker substantively concerns motor vehicles and motor vehicle safety, that claim is within "the safety regulatory authority of a State with respect to motor vehicles."

The issue at dispute was that of liability for brokers engaged in movement of property and freight under the Interstate Commerce Commission Termination Act ("ICCTA") and Federal Aviation Administration Authorization Act ("FAAAA"), which, in part, currently protects brokers from liability at common law pursuant to 49 USC § 14501(c)(1). Whether states can enact and enforce laws under the guise of safety provisions is preempted by the federal statute is now before the United States Supreme Court with a decision expected in June of this year.

The oral argument focused on competing sections of the statute, ambiguity in defined terms such as 'motor vehicle,' and the question of why Congress would explicitly create a safety exception in the arena of interstate commerce but exclude the exception from intrastate commerce.

Justice Brett Kavanaugh focused a portion of his questioning to petitioner as to why Congress would enact insurance requirements on carriers and not brokers if Congress wanted brokers to be exposed to similar liability. It appeared Justice Kavanaugh may have been channeling his own time in the Solicitor General's Office and White House Counsel's Office under George W. Bush, commenting that Congress did not create these insurance requirements for brokers because it did not contemplate broker liability. Justice Ketanji Brown Jackson inquired to petitioner on the definition of a motor vehicle. Petitioner attempted to sidestep this issue, but the question raises a key point – brokers are not engaged in motor vehicle operation. Petitioner pivoted this back to state safety regulation, but the issue was clearly present for Justice Jackson.

The petitioners clearly sought to appeal to a practical interpretation that if brokers want to be protected, they should inquire as to the safety standards of their vendors. Petitioner also noted that the broker here, C.H. Robinson, failed to follow its own internal guidelines – a salient point for all trucking and transportation companies that if you set a standard, it is imperative that you meet it or you risk exposure.

When respondent C.H. Robinson's counsel appeared before the Court, much of the pushback, specifically from Justice Elena Kagan, was on this notion of separating brokers from motor vehicle operation. Respondent's counsel was focused on the argument that brokers must rely upon – there are government authorities and standards – such as the FMCSA – that brokers should be entitled to rely on and that states cannot impose a duty to pick the 'best' company. The Solicitor General's Office participated in this argument as well in support of the respondent's position, commenting that there was not much 'daylight' between their arguments. He did, however, concede that Congress could have been more clear, and it was actually Justice Amy Coney Barrett who raised scenarios where those inconsistencies create conflict, appearing somewhat warm to the arguments made by petitioner. Questions continued throughout on the issue of defining a motor vehicle versus the responsibility of a broker, but no justice appeared to interpret an unambiguous view of the law that clearly separates brokers from the vendors and their motor vehicle operations.

Chief Justice John Roberts also weighed in on the discussion, commenting on the ambiguity created by how 49 USC § 14501(b), which specifically speaks to freight forwarders and brokers, does not include the "safety exception" that exists in 49 USC § 14501(c). The petitioners argue that you cannot apply the same standards to sections (b) and (c) when section (b) explicitly lacks the safety exception petitioners are seeking to impose against the brokers. Chief Justice Roberts noted the justices' not understanding why section (b) even exists in its current form given the existence of section (c). While this may just be conjecture, the arguable contradictions and conflicts between the statute and the current state of the industry suggest that the current apparatus of nationwide freight, and now passenger, brokers, is a newer, more recent industry evolution. The statute appears ill-equipped to clearly answer these questions in its current form.

It is difficult to anticipate what the Court may decide. Justices Kavanaugh and Jackson's inquiries appeared to side more with the broker side of the dispute, while justices Kagan and Barrett appeared sympathetic and possibly aligned with the petitioner's thought process. But there is a seeming consistency that the statute itself is ambiguous, convoluted, and requires clear interpretation. The Court's decision may ultimately not be as black and white as protecting or eliminating federal preemption. Whatever the Court's decision on the present action, it would not be surprising to see the Court urge Congress to update and address the statute and its current form.

Commentary on this issue through the industry is in agreement on one point, however: brokers and interstate shippers require a clear federal standard and guideline. Ambiguity and uncertainty across jurisdictions is the most concerning outcome. We again note that these issues still are being solely addressed relative to the movement of property and not common carriers or the passenger motor carrier industries. Pending the Supreme Court's ultimate resolution of this question, common carriers will likely want to pursue clarification through legislation on their exposure or potential federal protection under this statute. The argument that these brokers are in the business of 'technology, 'computers,' and 'communication,' while inherently logical, is seeing push back even at the Supreme Court level. To keep or obtain these protections, federal legislation might ultimately be the only remaining route.

ABOUT US

Lucosky Brookman's Transportation Practice Group, a specialized division within our Insurance Defense and Coverage Practice Area, represents clients and their carriers in complex tort and coverage litigation across the transportation industry. Our team of experienced attorneys handles cases in state and federal courts throughout New York, New Jersey, Kansas, Pennsylvania, and Texas.

Our practice combines deep industry knowledge with litigation expertise to provide exceptional legal representation to transportation companies facing increasingly complex regulatory requirements and litigation challenges. We understand that transportation businesses operate in a unique legal landscape where federal regulations, state laws, and local ordinances create a multifaceted compliance environment, and we tailor our approach accordingly.

We provide comprehensive legal representation to a diverse range of transportation clients, including interstate trucking fleets, railroads, school bus companies, waste hauling companies, taxicab operators, shuttle and bus services, rental vehicle fleets, and ambulance providers. Our attorneys have extensive experience addressing personal injury claims, cargo disputes, environmental issues, hazardous materials incidents, indemnification matters, and insurance coverage challenges. We also maintain strategic partnerships with preeminent local, regional, and national agencies, allowing us to stay ahead of regulatory developments, collaborate on proactive risk mitigation strategies, and deliver a truly integrated defense in complex transportation matters.

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Meet The Team

Harold Moroknek
Partner & Chair of Trucking & Transportation Practice Group
hmoroknek@lucbro.com

Scott Taffet
Partner
staffet@lucbro.com

Steven Saal
Partner
ssaal@lucbro.com

Patrick James
Partner
pjames@lucbro.com

Brian Webb
Partner
bwebb@lucbro.com

Meet The Team

Agustin Blanco
Senior Associate
ablanco@lucbro.com

Thomas McGovern
Associate
tmcgovern@lucbro.com

Mia Conroy
Associate
mconroy@lucbro.com

Olivia Jones
Associate
ojones@lucbro.com

PJ Benasillo
Associate
pbenasillo@lucbro.com

CONNECT WITH US

914-392-9006

info@lucbro.com

www.lucbro.com

SCAN ME

2 Depot Plaza, Bedford Hills, NY 10507

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