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LEGAL UPDATES

PUBLISHED: JANUARY 14, 2025

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FAAAA Circuit Split Remains Unresolved as U.S. Supreme Court Denies Certiorari in *Gauthier vs. TQL*

On January 13, 2025, the U.S. Supreme Court declined to grant certiorari in the case of *Gauthier vs. Total Quality Logistics*, leaving the decision of the Eleventh Circuit Court of Appeals intact. This means that freight brokers will continue to operate under a patchwork of conflicting circuit court precedents concerning the scope of Federal Aviation Administration Authorization Act (FAAAA) preemption—at least for the time being.

Gauthier was a wrongful death case in which the plaintiff sued TQL, a freight broker, for negligence, alleging that it failed to properly vet a trucking company, leading to an accident that caused her husband's death. Both the trial court and the Eleventh Circuit ruled that Gauthier's negligence claim against TQL was preempted by the FAAAA, a statute which generally prohibits states from enacting or enforcing any law "related to a price, route, or service of any ... broker ... with respect to the transportation of property." However, the statute contains a so-called "safety exception," which preserves states' ability to exercise "safety regulatory authority ... with respect to motor vehicles." Gauthier argued that the safety exception applied and saved her claim from preemption. The Eleventh Circuit rejected this argument, emphasizing that the language of the statute limits the safety exception's application to state laws that have a "direct relationship to motor vehicles." Gauthier's claim, the court ruled, was "necessarily one step removed from a 'motor vehicle'" because a freight broker and the services it provides "have no direct connection to motor vehicles." The Eleventh Circuit's holding is in line with Seventh Circuit case law, but conflicts with the Ninth Circuit.

With her negligence claim dismissed, Gauthier sought Supreme Court review. In a surprising twist, so did TQL, even though it prevailed in both the district

court and on appeal. TQL argued that the Eleventh Circuit's ruling was correct but "deepened an existing circuit conflict on the question presented," which TQL contended "is exceedingly important to the national transportation industry." TQL urged the high court to resolve the circuit split, contending that "[i]f plaintiffs are permitted to bring such lawsuits, the patchwork of state negligence doctrines invoked will 'create uncertainty and even conflict,' as 'different juries in different states reach different decisions on similar facts.'" TQL added that this legal uncertainty "profoundly affects the core business functions of freight brokers, which serve a central role in the efficient operation of supply chains throughout the United States."

What this means to you

Unfortunately, the Supreme Court denied both parties' petitions without comment. This means that the Eleventh Circuit's ruling stands, exacerbating the existing conflict among the circuits. The Seventh and Eleventh Circuits ruled that the safety exception does not save negligent-hiring claims against freight brokers because they are generally applicable private causes of action that lack a direct relationship to motor vehicles, with the Ninth Circuit taking the contrary position. The Supreme Court's decision to leave the circuit split intact underscores the need for legislative or regulatory action to address the fragmented legal landscape affecting freight brokers.

Contact us

If you have questions regarding the FAAAA, please contact Julie Maurer, Aaron Schepler, or your Husch Blackwell attorney.