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In This Issue

One Battle After Another: Freight Brokers in a Post-*Montgomery* World

Marc S. Blubaugh

On May 14, 2026, the Supreme Court of the United States issued its anticipated decision in *Montgomery v. Caribe Transport II, LLC*, sending shockwaves across the transportation industry. In *Montgomery*, the Court unanimously held that a claim brought against a freight broker for negligently hiring a motor carrier is not preempted by the Federal Aviation Administration Authorization Act (FAAAA) because states retain authority to regulate safety "with respect to motor vehicles" under the FAAAA. Freight brokers and other stakeholders in the transportation industry are now wrestling with a number of questions about the decision. Below are answers to some of those questions.

I. What were the facts of the *Montgomery* case?

In *Montgomery*, a customer retained a freight broker, C.H. Robinson Worldwide, Inc. (CHR), to arrange for the interstate transportation of a load of plastic pots. CHR contracted with a federally licensed motor carrier, Caribe Transport II, LLC (Caribe), to perform the transportation for the customer. After picking up the load in Ohio, Caribe's driver veered off the road while he was transporting the load through Illinois, colliding with a tractor-trailer that was stopped on the side of the road. The tractor-trailer was being driven by Shawn Montgomery, who was injured as a result of the collision.

Mr. Montgomery commenced litigation in federal district court in Illinois to recover for his injuries. He sued not only Caribe and Caribe's driver but also CHR and certain affiliates of CHR. Among other things, Mr. Montgomery alleged that CHR negligently selected Caribe to perform the transportation. Mr. Montgomery alleged that, just months before the crash, Caribe's driver had been involved in another crash and had been cited for operating his truck carelessly. Mr. Montgomery also claimed that

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Caribe had been involved in at least three reportable crashes between May and September 2017 despite having only nine trucks. Mr. Montgomery also argued that Caribe met the definition of a "high risk" carrier as defined by the Federal Motor Carrier Safety Administration (FMCSA) and that the FMCSA had given Caribe a "conditional" safety rating, finding that Caribe was "deficient" with respect to "qualification of drivers," "hours of service of drivers," "inspection, repair and maintenance," and its "recordable crash rate," among other things. Mr. Montgomery argued that these "red flags" meant that CHR should not have retained Caribe to perform the transportation.

The district court granted summary judgment in favor of CHR on Mr. Montgomery's negligent hiring claims on the basis that such claims were preempted by the FAAAA. Mr. Montgomery appealed to the U.S. Court of Appeals for the Seventh Circuit, which affirmed the district court's dismissal of the negligent hiring claims. Despite having won in the lower courts, CHR joined Mr. Montgomery in asking the Supreme Court of the United States to review the case. The Court accepted the case for review but ultimately ruled against CHR and reversed the lower courts' holdings relating to the FAAAA.

II. What is the FAAAA?

In the late 1970s and early 1980s, Congress began to deregulate various types of interstate transportation services, culminating in the mid-1990s with the passage of the FAAAA and the Interstate Commerce Commission Termination Act (ICCTA). The FAAAA expressly preempted a wide variety of state and local regulations and state law claims affecting motor carriers. Among other things, the ICCTA also expanded federal preemption under the FAAAA to include preemption of claims not only against motor carriers but also against *freight brokers* in particular. The deregulatory goal of the FAAAA was to facilitate interstate commerce by eliminating the patchwork quilt of conflicting state laws and regulations that was hampering the operations of motor carriers and brokers.

The FAAAA not only preempts positive laws enacted by states but also other forms of state action (i.e., court judgments and jury verdicts based upon state tort law) that have the effect of regulating the services of freight brokers. This latter form of state regulation often presents an existential risk to the freight brokerage industry. After all, personal injury lawsuits against motor carriers and freight brokers can end with multimillion-dollar "nuclear" verdicts. In recent years, the number of lawsuits against brokers has increased, causing insurance premiums to skyrocket and leaving brokers confounded about what level of "due diligence" they should be applying when selecting the motor carriers that haul their customers' goods.

III. What was the precise legal issue before the Court?

The legal issue before the Court was technically *not* whether the FAAAA preempts negligence claims against brokers. Rather, the key legal issue before the Court was whether the so-called "safety exception" in the FAAAA saves negligence claims against brokers from being preempted. The FAAAA provides:

> **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 (other than a carrier affiliated with a direct air carrier covered by section 41713(b)(4)) or any motor private carrier, **broker**, or freight forwarder with respect to the transportation of property.

49 U.S.C § 14501(c)(1). While courts have broadly agreed that this language in subsection (c)(1) preempts claims against brokers as a general rule, lower courts disagreed about the meaning of one of the statutory *exceptions* in the FAAAA.

Specifically, the Court was asked to determine the meaning of the so-called "safety exception," a savings clause that provides that the FAAAA does not "restrict the safety regulatory authority of a State **with respect to motor vehicles**." *Id.* § 14501(c)(2)(A) (emphasis added).

In short, the Court was not asked to evaluate whether subsection (c)(1) preempted negligence claims against brokers, but rather whether the exception in subsection (c)(2) applied, such that negligence claims can proceed against brokers. Some lower courts had concluded that this exception saves negligence claims from preemption whereas other courts concluded that the exception was inapplicable. Unfortunately, the Court held that the exception does in fact save negligence claims against brokers from preemption.

IV. What was the Court's rationale for its decision?

The Court's analysis is rather straightforward and essentially turned on its construction of the three words "with respect to" in the phrase "with respect to motor vehicles." CHR had argued that "with respect to motor vehicles" should narrowly limit the scope of the exception (based on a prior decision of the Court under the FAAAA). The Court disagreed and held that "with respect to" should be given the ordinary meaning that it has in everyday life. The Court turned to the dictionary and found that "with respect to" had a broad meaning that was synonymous with terms such as "concerning," "referring to" or "regarding." Applying this broad definition, the Court found that the obligation to use ordinary care in selecting a motor carrier "obviously" concerns motor vehicles, since motor vehicles will transport the goods tendered by a broker's customer. Over the course of two pages, the Court then reviewed and rejected each of CHR's various other textual counterarguments.

V. Does the Court's decision mean that freight brokers are now inevitably liable for personal injuries whenever a motor carrier is involved in an accident?

No. Justice Kavanaugh's concurring opinion (joined by Justice Alito) expressly states that "the Court's decision today should not be read to mean that brokers will routinely be subject to state tort liability in the wake of truck accidents." As in any case, an injured party must still prove each and every element of a tort claim brought against a broker. The Court's decision simply means that brokers that are defendants in such cases have lost one legal defense. While it was a powerful defense in the jurisdictions that recognized it, cases of alleged broker negligence are still defensible.

After all, federal and state courts in many jurisdictions had *already* rejected FAAAA preemption as a defense or had not yet issued a decision one way or the other. For example, by virtue of adverse decisions in the U.S. Courts of Appeals for the Ninth and Sixth Circuits, freight brokers were already exposed (in federal court) to negligence claims in Alaska, Arizona, California, Hawaii, Idaho, Kentucky, Michigan, Montana, Nevada, Ohio, Oregon, Tennessee and Washington. Virtually all freight brokers in today's marketplace have in fact been arranging for the transportation of loads to, from or through at least some of those jurisdictions notwithstanding the unavailability of FAAAA preemption in those jurisdictions. In short, brokers today simply face the same risk nationwide that they were already unequivocally facing in those jurisdictions.

Freight brokers operating in those jurisdictions have been defending negligent selection claims on the merits when sued. For instance, brokers in such jurisdictions have been arguing that they fulfilled whatever common law duty of "reasonable care" the law imposes in a given state. Likewise, brokers may argue that a given accident was not proximately caused by whatever "red flags" are associated with a given motor carrier's safety profile. Similarly, brokers often dispute the amount of damages owed to a given plaintiff.

In addition, whether the FAAAA preempts claims *other than* negligence was still largely an open question, even in jurisdictions that rejected application of the so-called safety exception. For instance, even in jurisdictions that dismissed negligence claims under FAAAA preemption, plaintiffs were sometimes allowed to proceed against freight brokers on alternative theories, such as those based on vicarious liability or joint venture. (Only a minority of courts had applied FAAAA preemption to such claims.) Therefore, brokers will continue to defend against those claims on the merits, just as they have been doing for years. Indeed, the trial court in Montgomery entered summary judgment in favor of CHR on Mr. Montgomery's vicarious liability claim without any reliance on FAAAA preemption at all.

Of course, these defenses are often fact specific, meaning that they are less susceptible to early disposition on a motion to dismiss or motion for summary judgment, thereby driving up defense costs and settlement value. In turn, this will naturally drive up insurance premiums for brokers.

VI. Did the Court find that the FAAAA would definitely have preempted negligence claims against brokers *but for* the so-called safety exception?

No. The Court observed in a footnote that, because it found that the safety exception applied, it could "assume without deciding" that the FAAAA would have otherwise preempted Mr. Montgomery's negligent hiring claim. However, all four of the lower circuit courts to have considered the issue (and the vast majority of other federal and state courts) agree that the FAAAA would

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preempt claims against brokers for alleged negligent selection of motor carriers. The only question was whether or not the safety exception "saved" such claims from preemption

VII. Why does that matter? Didn't the Court's decision mean that FAAAA preemption is dead?

No. While the Court's decision destroys the defense of FAAAA preemption in the majority of personal injury cases, FAAAA preemption will still be relevant in certain types of cases against freight brokers. After all, the Court's decision addresses only the narrow question of whether the so-called "safety exception" applies in personal injury cases arising out of interstate transportation. The Court's holding itself notes that the safety exception only saves "a subset of preempted claims."

For instance, the defense of FAAAA preemption should still be largely available to freight brokers in cargo claims. For example, a customer's claim against a freight broker arising from the theft of high-value cargo does not implicate the so-called safety exception even when the customer alleges that the broker was negligent in choosing a given motor carrier. Certain courts have agreed that cargo security is distinct from safety and that, therefore, the so-called safety exception does not "save" from preemption claims arising out of the theft of cargo. The same could hold true in a wide variety of other cargo claims.

Likewise, the scope of FAAAA preemption will still be relevant in personal injury disputes arising out of *intrastate* shipments. The Court acknowledged a conspicuous anomaly between two parts of the statute. As noted above, subsection (c)(1) of the statute is recognized as preempting claims relating to interstate brokerage. However, subsection (b)(1) of the FAAAA preempts claims relating to the "intrastate services" of brokers. Unlike subsection (c), subsection (b) does not contain a safety exception. While the Court was unable to resolve this anomaly, the Court concluded that it was "[b]etter to live with the mystery than to rewrite the statute." Therefore, freight brokers defending claims arising from intrastate transportation should rely on the "mystery" and raise FAAAA preemption as a defense.

Of course, the contours of subsection (b)(1)'s intrastate preemption will play out in subsequent court cases. For example, plaintiffs may claim that the subsection is unconstitutional, particularly since the Court stated in a footnote that it was not opining on that question. Likewise, parties will litigate over whether a given claim arises from intrastate brokerage or interstate brokerage. What constitutes intrastate transportation versus interstate transportation is not always as clear as one might think. Indeed, another case currently pending before the Court (*Flowers Foods v. Brock*) involves the extent to which "final mile" delivery drivers who do not cross state lines and locally transport goods that originated out of state are transportation workers engaged in interstate commerce under an entirely different statute—the Federal Arbitration Act.

While plaintiffs will continue to dispute that the FAAAA reaches negligence claims against brokers, the great weight of authority favors freight brokers. In other words, as disappointing and as sweeping as the Court's decision is, freight brokers should not lose sight of the ways that FAAAA preemption may still benefit them in various contexts.

VIII. Did the Court's decision explain what a broker must do in order to avoid liability for negligence?

No. The decision simply allows negligence claims arising from personal injuries in interstate transportation to proceed against freight brokers. As noted above, a plaintiff pursuing a negligence claim must demonstrate that the freight broker failed to exercise reasonable care in choosing a given motor carrier. However, while the Court did *not* define what reasonable care is in this context, Justice Kavanaugh's concurring opinion offers some clues.

First, Justice Kavanaugh observed that brokers may "sometimes become aware that a particular carrier operates unsafe trucks or hires unfit drivers." Not surprisingly, a broker with *actual* knowledge that a motor carrier is unsafe should not use that motor carrier.

Second, and more importantly, Justice Kavanaugh properly acknowledged that "brokers may not always (or even often) be in a good position to objectively assess the relative safety of different trucking companies." In doing so, Justice Kavanaugh pointed to the **brief** of the Transportation Intermediaries Association (TIA) which outlined a variety of practical problems that preclude freight brokers from evaluating any given motor carrier's safety profile. This suggests that, in general, freight brokers should not be held to an unattainable standard of care. Indeed, Justice Kavanaugh noted that, during oral arguments, Mr. Montgomery's counsel attempted to downplay just how rigorous a freight broker must be in evaluating a given motor carrier: "In plaintiff's counsel's words, the brokers 'just have to hire carriers that actually have a reasonable policy,' and 'the broker is not going to have a problem if it's asking the hard questions of the carrier.'"

Fortunately, Justice Kavanaugh also noted that "the brokers rightly caution against naivete" when it comes to evaluating motor carrier safety. For example, while Justice Kavanaugh seemingly accepted Mr. Montgomery's counsel's glib assurance that freight brokers can easily meet the applicable standard of care, the freight brokerage industry knows full well from experience that the plaintiffs' personal

injury bar never takes a firm position about what exactly a freight broker should do in order to ensure that a motor carrier has a "reasonable policy" governing safety in place. Likewise, the plaintiffs' personal injury bar does not speak with one voice and has never outlined precisely what the "hard questions" are that a freight broker should be asking. Instead, plaintiffs' attorneys always take the position that whatever a freight broker did in a given case was simply not enough.

IX. So, what does a freight broker need to do in order to establish that it exercised "reasonable care" in tendering a load to a given motor carrier?

The honest answer is that no one knows. At present, whether or not a freight broker used "reasonable care" in selecting a given motor carrier will turn on the idiosyncratic determinations of a particular judge or particular jury on any given day in any given jurisdiction. Even judges and juries in the same jurisdiction may reach contradictory determinations on facts that are substantially similar. Nevertheless, freight brokers should keep the following guideposts in mind post-*Montgomery*.

First, every broker should have a written policy or protocol in place that governs how a broker onboards and monitors the ongoing eligibility of any given motor carrier to be part of the broker's motor carrier pool. Fortunately, most brokers have a policy of some kind in place.

Second, the thorniest question facing the industry right now is what the content of that carrier selection policy should be in order to allow a broker to operate as a practical matter in the marketplace while also putting itself in a strong and defensible position in the event of litigation. Of course, the foundation for any carrier selection protocol is the use of federally licensed motor carriers having active operating authority. Reasonable people may (and likely will) disagree about what other criteria, if any, should be considered. Defense attorneys, safety and risk consultants, technology companies, and other stakeholders will all have their respective reactions and recommendations. And, while most stakeholders will be well intended, some will also be opportunistic. Brokers should be thoughtful as they react to and evaluate the wide variety of products and services that are already in (or will quickly emerge in) the marketplace with the appealing promise that they will help a broker establish that it exercised reasonable care.

> *"The only practice worse than not having a policy in place is having a policy and routinely violating that policy."*

Sensible brokers will start by having a discussion with the broker's contingent auto liability or truck broker liability policy underwriter regarding what criteria they should be using when determining to onboard a given motor carrier. After all, the insurer is underwriting the key risk in question. Some underwriters may require a broker to adopt a particular carrier selection policy in order to be eligible for coverage. Other underwriters may require modifications to existing policies and procedures or may offer premium relief if a broker adopts certain practices or uses certain tools. These discussions will address the advisability (or not) of relying on factors such as safety ratings, months in operation, data from FMCSA's Safety Measurement System, and the like. Of course, a collaborative approach involving a freight broker's counsel or other trusted advisors is prudent in light of the possibility of large, self-insured retentions as well as exposure to verdicts in excess of insurance coverage.

Finally, every broker should ensure that its personnel who have responsibility for onboarding and monitoring motor carriers are trained to understand and follow the broker's policy. The only practice worse than not having a policy in place is having a policy and routinely violating that policy. In short, policies need to be operationalized to avoid deviations. Technology solutions often help in this regard.

X. What does the decision mean for shippers?

A few cases around the country had favorably applied the FAAAA to dismiss negligence claims against shippers. For this and other reasons, a number of shippers and shipper-focused interest groups filed amicus briefs in support of CHR's position before the Court. However, during oral arguments, several of the Justices expressed skepticism that the FAAAA extended to shippers. Moreover, the Deputy Solicitor General himself acknowledged that the United States was not taking a position on that issue.

Regardless, the decision in *Montgomery* means that—just like freight brokers—shippers have now lost the defense of FAAAA preemption (to the extent that they ever had it in the first place). While plaintiffs who pursue shippers for alleged negligence in selecting a broker that in turn was allegedly negligent in selecting a motor carrier must overcome substantial evidentiary and proximate cause arguments, brokers often find themselves defending and indemnifying their shipper customers under the terms of a shipper-broker agreement. This phenomenon will continue.

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XI. How does the *Montgomery* decision affect litigation strategy in these cases?

Many freight broker liability cases around the country were stayed (either formally or informally) pending the outcome of *Montgomery*. The day that the *Montgomery* decision issued, plaintiffs began efforts to reactivate their cases. And, undoubtedly, the industry will see an upswing in the number of new cases being filed against freight brokers.

Going forward, the key question in much of this litigation will be whether the broker in question used reasonable care in tendering a load to a given motor carrier. More often than not, the answer to that question will play out in a "battle of the experts." On the one hand, plaintiffs' personal injury lawyers will rely upon a coterie of experts who will, in any given case, testify that the broker failed to exercise reasonable care. On the other hand, the defense bar will continue to rely on a variety of expert witnesses who will testify that the broker did in fact exercise reasonable care. Ultimately, a judge or jury will determine which expert—the plaintiff's expert or the defendant's expert—is more credible and persuasive.

In short, having a strong expert witness is going to be more important than ever in freight brokerage litigation from this point forward.

XII. Conclusion

The decision in *Montgomery* is highly disappointing to the freight brokerage industry and will have repercussions throughout the supply chain. Nevertheless, the industry will continue to perform its valuable services, which remain vital for the United States economy. Freight brokers care deeply about public safety, and freight broker liability cases are often highly defensible on the merits, even when the defense of federal preemption is unavailable. Nevertheless, the freight brokerage industry should gird itself for the ongoing battles that lie ahead.

Benesch's nationally recognized Transportation & Logistics Practice Group is available to help your business understand and navigate a post-*Montgomery* world. Please contact us with any questions.

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What's Old Is New Again: Broker Liability Insulation from the Case Law in the Post-*Montgomery* Era

Eric L. Zalud

The Supreme Court has spoken in its *Montgomery v. Caribe Transport* decision, and the brokerage sector, and even shipper and motor carriers, are working toward adapting to this "new liability regime." However, it is important to remember, as pointed out elsewhere in this issue, that the liability regime is not really a new one. Yes, *Montgomery* effectively eliminated the defense of federal preemption for brokers (and shippers) in negligent selection lawsuits. However, certain causes of action against brokers had always (going back several decades now) existed in many jurisdictions around the country, *regardless* of preemption status. Those causes of action typically fell, *and still do fall*, into three buckets: (1) negligent selection of a motor carrier (e.g., *Montgomery v. Caribe*); (2) Vicarious liability of the broker for the motor carrier's actions; (3) Joint Venture/Enterprise liability (broker and carrier allegedly act as a shared business with a common purpose, and shared financial interest); and (4) "Broker as Carrier" liability (primarily applicable in cargo loss and damage situations).

Prior to *Montgomery*, there was already a smorgasbord of case law from around the country with favorable and instructive holdings for brokers on reducing, minimizing or eliminating liability for motor vehicle casualty mishaps—by their brokered motor carriers. Most of these scenarios that were impacted by *Montgomery* (in select circuits) were negligent selection cases. However, there were several vicarious liability cases around the country to which the preemption argument was made. Shortly before the *Montgomery* litigation began, one of the most instructive cases for brokers to insulate themselves from liability, and a case with some of the most broad, comprehensive and helpful holdings for broker practices and procedures

to insulate themselves from liability, was decided in Illinois. That case was unimpacted by any preemption holding by the Supreme Court (one way or the other). So, that case and its progeny remain unimpacted. It is a tremendously helpful one for brokers. In fact, it was a nuclear verdict reversal, so even better!

In *Cornejo v. Dakota Lines, Inc., 226 N.E.3d 9 (Ill. 2024)*, Gustavo Cornejo was severely injured when standing near his family vehicle shoulder of a highway. There, he was struck by an 18-wheel tractor-trailer. His mother subsequently brought a negligence suit on behalf of her son against defendants Lewis, the truck driver; his employer, the carrier Dakota Lines; and Alliance Shippers, the broker. A jury found that Lewis, Dakota and Alliance were liable to the plaintiff and awarded him $18,150,750. Alliance appealed on the issues of whether, as a matter of law, Dakota was an independent contractor and whether Lewis and/or Dakota were agents of Alliance.

Alliance alleged that the court erred when it denied Alliance's motion for judgment, notwithstanding the verdict on these issues, because all the evidence overwhelmingly favored Alliance by showing, as matter of law, that Lewis and Dakota were not agents of Alliance. The evidence demonstrated that Alliance did not pay Dakota's drivers, nor withhold taxes from their pay. Alliance did not hire, train or fire the drivers. Alliance did not dispatch or even speak to the drivers. Alliance did not control the drivers' routes, or provide them with tools, equipment or materials. Alliance did not own the tractors or trailers that the drivers used. Dakota and Alliance had also adhered to terms of their contract, which provided that Dakota had full control over its personnel and would perform services as an independent contractor. Also, Dakota and Alliance did not have an exclusive relationship. Dakota was free to haul freight for other brokers and not solely be Alliance's carrier. Dakota hired, trained and fired its drivers; paid them; and withheld taxes from their paychecks.

Plaintiff Cornejo contended that vicarious liability for the broker Alliance was the proper legal conclusion for a variety of operational bases. First, Dakota was required to add Alliance as an additional insured on Dakota's insurance policy and to indemnify Alliance. Also, Alliance had requirements regarding seal integrity, freight bills and cargo security for loads transported by Dakota and brokered by Alliance. Alliance would designate if delivery had to be on a flatbed or in a container. Alliance also required Dakota to EDI, email and fax Alliance multiple times a day regarding pickup and delivery times. Dakota was also required to notify Alliance immediately regarding issues like crashes/problems that prohibited Dakota from moving the load. Then, Alliance would decide whether Dakota should send another driver to deliver the load. Alliance could also charge Dakota for damages if a delivery was late, damaged or lost. Alliance even kept a scorecard of timeliness of Dakota's deliveries. A decrease in Dakota's score could jeopardize future freight orders.

The court found that *none of these facts* showed the degree of control over the work performed (here, hauling loads) that courts have required when finding that an agency relationship exists. To wit, there was no evidence that the driver, Lewis, was trained using materials that said he was part of Alliance's fleet or otherwise associated with Alliance. He did not wear clothing or use equipment bearing the name "Alliance" or otherwise hold himself out as an employee of Alliance. Alliance did not provide any of the equipment that Lewis used. The relationship between Alliance and Dakota was not an exclusive relationship. The Dakota-Alliance contract specified that Dakota was an independent contractor with sole responsibility for its employees. The court also reasoned that Alliance's specifying the result that it wanted Dakota to accomplish vis-à-vis tasks such as moving empty containers, or shipping cargo, was *different* from dictating the manner in which the work of hauling the containers would be performed. Instead, Alliance's requirements to Dakota were indicative of Alliance controlling the result to be performed.

Prior to Montgomery, *there was already a smorgasbord of case law from around the country with favorable and instructive holdings for brokers on reducing, minimizing or eliminating liability for motor vehicle casualty mishaps—by their brokered motor carriers.*

The court found that the "Seventh Circuit's treatment of Illinois law has also been consistent with the cases we have cited here concerning the lack of agency relationship." The fact that Dakota was required to insure Alliance as additional insured and indemnify it simply showed the parties' intent to keep the risk of loss with Dakota and its liability insurer. Similarly, the plaintiff's references to Alliance's marketing and advertising did not support an agency relationship between Alliance and Dakota. Alliance exercised little, if any, control over Dakota's and its drivers' performance of the transportation work, as opposed to control over the result of the assigned task or matters ancillary to

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the work to be performed. Dakota had no authority to bind Alliance contractually to a third party because the contract between Alliance and Dakota forbade Dakota from subcontracting any of Alliance's work. Thus, all the evidence, viewed in the light most favorable to plaintiff, overwhelmingly favored the conclusion that Lewis and Dakota were not Alliance's agents. No contrary verdict based upon the evidence could ever stand, so a nuclear verdict was reversed!

Broker Vicarious Liability Dos and Don'ts in the Post-*Montgomery* Era

As noted, this case is one of the most broad and detailed analyses of the nuts and bolts of a broker's operations and its interface with its motor carriers—and how those operations impact the broker's risk of vicarious liability. The case is tremendously instructive on a day-to-day operational basis and from a liability and risk prevention basis. Several paramount dos and don'ts for brokers (and also for shippers who deal directly with motor carriers) course through in the court's decision. Below are some of the most important ones:

1. **It's the Result!** Remember the emphatic thematic principle that the broker is entitled, under the law, to control the *result* of the shipment schematic as opposed to the manner of the shipment schematic.
2. **Pox on Direct Driver Contact.** Direct relationships of any kind with the motor carrier's drivers should be minimized, if not eliminated completely, to the greatest extent possible. This includes compensation and other HR-related aspects, and also, importantly (but harder these days), avoiding direct contact between the broker's employees and the motor carrier driver himself/herself.
3. **No Routing.** Brokers/Shippers should exercise minimal or no control over the driver's route to deliver the shipment.
4. **Contracting Matters.** The underlying broker-carrier contract should make clear that the motor carrier has full control over its own employees and most notably the drivers and that it is an independent contractor. The contract should also make clear that the broker and the motor carrier do not have any type of exclusive relationship, i.e., the motor carrier can haul loads for other brokers and/or shippers. The contract should also forbid subcontracting of any brokered loads—for a variety of reasons.
5. **Insurance Matters.** The goal of overall insurance coverage for any shipment is to prevent risk of loss and to have coverage for damage and injury. The courts will apply that goal predominantly over additional insured notations and aspects.
6. **Some Contact Acceptable.** Frequent operational contact regarding pickup and delivery times is acceptable.
7. **MVA Notice.** Notification of motor vehicle accidents does not create vicarious liability and should be stressed and required in the underlying contract.
8. **Performance Metrics Not Fatal.** Performance metrics and on-time tracking do not automatically create vicarious liability, but be careful of fines.

These operational mantras should be fairly easy to achieve—without sacrificing the result for the broker's customers, i.e., arranging transportation of the cargo from origin Point A to destination Point B. They are also helpful operational practices to be combined with a carrier selection process that is carefully crafted in light of Montgomery and is—as importantly—adhered to by the broker or shipper. These practices could prevent an unwanted invitation to the litigationfest that may ensue in the wake of the *Montgomery* decision. We can only hope!

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Iran Conflict—Global Shipping Risks Explained

Jonathan R. Todd **J. Philip Nester**

Armed conflict with Iran commenced on February 28, 2026. Since that time, vessel operators, logistics providers, cargo owners, and those looking to receive landed product have faced far-reaching challenges. War is not a new risk, rather a different form of supply chain interruption risk. Still, this conflagration and its epicenter at the Strait of Hormuz raises legal issues in ways that the global pandemic (2020), war in Europe (2022), war in Gaza and the Red Sea (2024), and the IEEPA tariff rollout (2025) only brushed upon. This article explains the top legal concerns on industry minds today and their impact.

Insurance Impact

Geopolitical instability places stress on marine insurance placements by testing coverage assumptions that often remain unexamined during stable periods. The current environment is no exception. For vessels engaged in the carriage of petroleum, petrochemicals, fertilizer, helium and other politically sensitive cargoes, risk is under close review by stakeholders. Risk allocation is increasingly shaped by the interaction of policies, contracts and counterparties, the dynamics of which too often become clear only after a delay, detention or loss has occurred.

War risk insurance, which is typically maintained as a separate placement from hull and machinery coverage, has taken on renewed significance in light of the conflict. Underwriters are scrutinizing voyage profiles with greater intensity, including the effects of routing, port calls, cargo descriptions and counterparty exposure. Insureds should expect renewals and midterm adjustments to include additional premiums, expanded notice obligations and voyage-specific endorsements. Strict compliance with those requirements is essential, since failures involving notice, warranties or trading limits may materially impair coverage. Sanctions-related exclusions further complicate recovery, particularly where losses are connected to state actors, designated entities or restricted jurisdictions.

Hull and machinery policies present distinct but related challenges. Losses arising from detentions, seizures, blockades or adverse governmental actions fall between insured marine perils and excluded war risks. Coverage disputes in these areas tend to turn on causation, particularly whether the proximate cause of a loss is operational or geopolitical in nature. Where commercial or navigational decisions intersect with evolving political conditions, insurers and insureds often end up with divergent views about the intent and scope of coverage.

Cargo interests face similar exposure. Standard cargo policies exclude war-related risks, including seizure and confiscation, absent a specific endorsement. When coverage is declined, shippers may look to contractual mechanisms, such as letters of indemnity or force majeure provisions, for relief. However, these tools frequently offer limited protection where losses fall outside insured risks or implicate sanctions compliance. Claims in these contexts tend to be fact-intensive and slow to resolve, underscoring the importance of early coordination with insurers.

Supply Chain Impact

Acute challenges to supply chain functions across operators and shippers have been broader than many outside the industry would imagine. For example, traffic in the U.S. trades has drawn outstandingly fast attention from the Federal Maritime Commission (FMC) as well as Customs and Border Protection (CBP). Air cargo markets have seen the double challenge of increased volumes and airspace closures. Shipper industries outside of core petrochemical businesses have witnessed the threat of war surcharges, letter of indemnity demands, force majeure notices, reroutings and delivery delays.

Two immediate changes under regulatory law emerged in quick succession. First, CBP issued a Jones Act waiver effective March 17 to May 17. This waiver permits foreign flagged, owned and operated vessels to traffic across sequential ports of call in the United States. It is intended to increase shipping capacity in the U.S. trades. Second, the FMC issued a shipper-protective announcement on March 11 followed by a denial of four Special Permission requests filed by steamship lines seeking to waive the 30-day publication requirement for war surcharges. Across these actions, the FMC advised beneficial cargo owners to closely review carrier tariffs and service contracts, and to consider dispute resolution and litigation in the event of breach, while also reminding the lines that any deviation from tariff publication rules requires an adequate showing of cause.

Ocean carrier bid season is occurring alongside this conflict, which has raised some new commercial challenges among shippers, their carriers and NVOCCs. Rating and cost variance may rise again as a challenge for procurement departments

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Iran Conflict—Global Shipping Risks Explained *continued from page 9*

just as it did during the pandemic. Simultaneously, we are seeing repeated instances of letter of indemnity demands placing shippers on notice that loss may be unrecoverable and uninsured. We are also seeing early rumblings of force majeure claims. The challenge with force majeure, however, is that it is a defense to nonperformance rather than a "free for all" in the event of costly or challenging operations. It is common for blanket force majeure notices to be legally deficient, since the events claimed do not prohibit performance, or if they do, the period of nonperformance does not align with the occurrence of those events as is required under the law.

War defenses to cargo loss and damage claims are the bedrock issue at the heart of commercial relationships during this period. Carriers of all modes have long avoided liability under the law for losses caused by acts of war, government intervention, or the public enemy. In the U.S., the Carriage of Goods by Sea Act (COGSA) governs liability for ocean shipping and yet has historically excluded responsibility resulting from war (46 USC 30706 (Note at Section 4(2)). Similarly, international air carriage subject to the global treaty known as the Montreal Convention has since its inception excluded liability for an act of war or armed conflict (Article 18 at Section 2(c)). In all events, delay is typically not compensable as a damage under ordinary circumstances, and the total cost of service can be expected to lawfully increase in the event of reroutings.

Navigating These Waters

This geopolitical environment is a wake-up call for awareness of the interconnectedness among marine insurance, global supply-chain operations and commercial risk allocation. The initial point of interruption is probably no surprise. For vessels carrying petroleum, petrochemicals and other strategic cargoes, these tensions manifest first as operational disruptions affecting routing, schedules and vessel availability. The knock-on effects are harder for many to predict and manage. Resulting changes in insurance market responses, supply-chain decision-making, regulatory response and the potential for disputes are as wide-ranging as they are impactful.

Persistence of these conditions will trigger sustained pressure on marine insurance markets with war risk premiums, listed trading areas, sanctions exclusions and compliance requirements that demand the insured's close attention. Operational disruptions and disputes over surcharges, force majeure and war cargo coverage affect cargo flows and commercial relationships, producing immediate downstream effects for ports and operators even where local operations remain stable. Needless to say, these are the times when risk and supply chain professionals can become heroes of their organizations by rising to the occasion and charting the best course of action.

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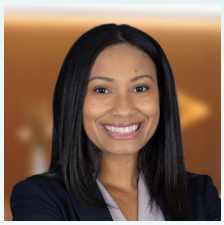
Section 122—Supply Chain Reactions to CIT Decision

Jonathan R. Todd



Vanessa I. Gomez

Ashley C. Rice

Global 10% tariffs imposed under Section 122 were intended by the Trump Administration as the immediate replacement for IEEPA-based reciprocal tariffs. Recently on May 7, 2026, the U.S. Court of International Trade (CIT) struck down those tariffs on the basis that they were not supported by statutory authority. This is just the latest landmark development in our international trade landscape following the February 20, 2026, U.S. Supreme Court (SCOTUS) decision finding that IEEPA tariffs were unlawful. We are working with clients across all industries, as well as their service providers, as each look to strengthen trading relationships and harden legal positions across domestic and global supply chains.

This bulletin delivers a quick summary on Section 122, the CIT decision and best practices for approaching forthcoming changes as court decisions and tariff refund issues continue to emerge.

Section 122 Tariff Strategy: The Administration invoked Section 122 of the Trade Act of 1974 to impose a temporary 10% duty on most imports just four days after SCOTUS rejected IEEPA-based tariffs. Section 122 tariffs became effective February 24, 2026. Our team previously outlined alternative tariff programs the White House could implement if SCOTUS deemed IEEPA tariffs unlawful. We also published immediate reactions when SCOTUS struck down IEEPA tariffs. Section 122 authorizes temporary import surcharges only in specified "situations of fundamental international payments problems," including large and serious balance-of-payments deficits. This authority to impose an import surcharge of up to 15% for a 150-day period dates back to fiscal risks identified during the Nixon Administration that were rooted in global monetary policy and the gold standard. Lawsuits swiftly challenged the lawfulness of using Section 122 as the immediate alternative to IEEPA tariffs.

CIT Decision Takeaways: Plaintiffs argued that Section 122 permits tariffs only when the U.S. faces a qualifying international payments problem (i.e., a large and serious imbalance-of-payments deficit) and not in instances of trade deficit. The CIT agreed with plaintiffs' arguments. Judges Mark A. Barnett and Claire R. Kelly ruled that the Administration improperly used its authority to impose Section 122 tariffs. Judge Timothy C. Stanceu dissented. The CIT majority reasoned that the Administration failed to identify an actual balance-of-payments deficit when imposing the tariff. Instead, the White House inappropriately relied on the trade deficit to justify imposing the 10% tariff under Section 122. There is no immediate duty impact for most importers following this decision. It remains to be seen whether refunds will be available and whether lawsuits before the CIT will ultimately be required. The Administration filed to appeal a day after the CIT decision.

Emerging Best Practices: Today the CIT decision highlights that we remain in a time of great change for supply chain compliance obligations, supplier and customer relationship management, and litigation risk. Maintaining awareness of changes and navigating variance in the cost of goods are the key challenges for supply chain professionals. Many clients have been identifying new internal resources, building hardened compliance programs, and updating terms in response to the first launch of IEEPA tariffs in February 2025. As the situation develops, the top questions we receive right now focus on the availably of refunds and the effect of refund recovery on trading relationships. Each point is explained below.

Administrative Refund Process: On April 20, 2026, CBP launched the Consolidated Administration and Processing of Entries (CAPE) system as its administrative process in response to the CIT's demand on March 4 that it facilitate refunds of IEEPA duties paid by importers of record. Client experiences with the CAPE process have been relatively positive. If refunds are required to distribute duties collected under Section 122, then it is reasonable to expect that declarations will again be required through CAPE. One technical aspect to watch is the possible need to file protests close to the end of the 180-day window for entries that contain duty payments deemed unlawful. It remains possible that the Administration will seek to avoid refunds on older entries that are deemed "finally liquidated" due to the absence of protest.

Despite the existence of the CAPE process, some clients are choosing to sell their claims to financial firms or to more conservatively file a lawsuit before the CIT. Those options will likely remain for Section 122 tariffs as well. Some agreements to sell claims require filing a lawsuit in order to participate.

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Section 122—Supply Chain Reactions to CIT Decision

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Litigation Risk for B2B Relationships: We are also counseling many clients on private party litigation risk. Business-to-business relationships raise concerns across clients, although the vast majority of those are being resolved on commercial terms. It is not uncommon for a supplier that reduced cost, or a customer that paid pass-through duties, to approach the importer of record for negotiation of how duty refunds will be distributed (if at all). Deal terms are then being memorialized in simple letter agreements, in more fulsome agreements and in purchase agreement updates. Those approaches are best served by recognizing that the IEEPA invalidation and this CIT decision may not be one-time events. This cycle of complying with law by paying duties, managing those through commercial relationships, and then seeking refunds once the tariff programs are overturned may well continue. Nimble process-oriented drafting helps with expectation setting and in avoiding revisiting these issues.

Litigation Risk for B2C Relationships: Business-to-consumer litigation likely carries greater practical risk for clients. Class action lawsuits have already been filed seeking recovery of pass-through tariffs for consumers who were not importers of record. Those often rely on unjust enrichment causes of action although other theories may be tested, including breach of contract and fraud. The viability of claims may be questionable, but the potential for reputation harm is not. In the retail context, the more challenging risk may be that deployment of tariff price changes violated state consumer protection laws. For example, some states restrict the ability to impose point-of-sale fees, such as a tariff surcharge, late in the online checkout process if the consumer was not made aware of that additional cost earlier in the transaction. Exercise of good business hygiene for retailers remains mission-critical for past and future tariffs, just as for all other pricing programs.

Benesch is available to counsel clients on managing current tariff recovery options, supplier and customer demands, and litigation risks, as well as ongoing tariff compliance and government enforcement. You may receive our client alerts on tariffs and related supply chain issues by signing up HERE.

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Benesch Recognized in Chambers USA 2026 for Transportation & Logistics

Chambers TOP RANKED USA 2026 Benesch

Benesch is pleased to announce that the firm has once again received the top "Band 1" national ranking in Chambers USA 2026 for its Transportation & Logistics practice. This ranking highlights Benesch's continued commitment to providing accomplished legal counsel to clients across the transportation and logistics industry.

Practice Group Co-Leads Marc S. Blubaugh, Eric L. Zalud, and Jonathan R. Todd were each individually recognized nationwide for Transportation. Jonathan Todd was also recognized nationwide for International Trade.

The Chambers USA guide evaluates law firms and attorneys based on client feedback and independent research. Benesch's Transportation & Logistics team is known for its deep knowledge of regulatory, transactional and litigation matters affecting the sector.

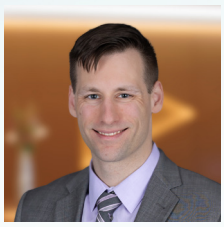
"We are deeply honored to be recognized in 2026 by our transportation and logistics clients through Chambers USA reviews," said Transportation & Logistics Practice Group Co-Lead Jonathan Todd. "This achievement reflects our team's dedication to delivering exceptional service and practical results for our clients."

SCOTUS Extends FAA Exemption to Last-Mile Drivers: What the *Flowers Foods* Decision Means for Motor Carriers and Transportation Providers

Marc S. Blubaugh

Jonathan R. Todd

Adam Primm



Robert Pleines, Jr.

On May 28, 2026, the U.S. Supreme Court issued a unanimous decision in *Flowers Foods, Inc. v. Brock*, expanding reach of the Federal Arbitration Act's (FAA's) Section 1 exemption for transportation workers engaged in interstate commerce. The Court held that a worker who transports goods on an intrastate leg of an interstate journey can qualify for Section 1's exemption without crossing state lines or interacting with vehicles that do. This decision has significant implications for motor carriers and transportation providers that rely on arbitration agreements to resolve disputes with independent contractors and employee drivers.

The FAA's Section 1 Exemption

The FAA establishes a strong federal policy in favor of arbitration. Section 1 exempts from its coverage "contracts of employment of seamen, railroad employees, or any other class of workers engaged in foreign or interstate commerce." [9 USC § 1.] For decades, courts interpreted this exemption narrowly, but the Supreme Court has recently expanded its reach in a series of decisions. In *New Prime Inc. v. Oliveira*, 586 U.S. 105 (2019), the Court held that the exemption covers independent contractors as well as traditional employees, and that courts—not arbitrators—must decide whether the exemption applies. Further, in *Southwest Airlines Co. v. Saxon*, 596 U.S. 450 (2022), the Court held that airline ramp supervisors who frequently load and unload cargo qualify for the exemption because they are transportation workers who "play a direct and necessary role in the free flow of goods" across state lines. *Flowers Foods* continues this trend of broadening the exemption's application to workers who handle goods moving in interstate commerce.

The Court's Decision

In a unanimous opinion authored by Justice Gorsuch, the Court affirmed the Tenth Circuit and held that Section 1's exemption applied to Mr. Brock, a franchisee distributor for Flowers Foods, Inc. (Flowers). Mr. Brock operated his own delivery business under a distribution agreement with Flowers, using his own truck to pick up baked goods from a Flowers warehouse in Colorado and delivering them to grocery stores and other retailers in the surrounding area. Although Mr. Brock never left the state, the goods he transported had originated from Flowers' bakeries outside Colorado.

The Court rejected Flowers' argument that Section 1's exemption requires a worker to physically cross state lines or to interact with a vehicle that does (for instance, by loading or unloading a vehicle). Instead, the Court focused on the nature of the goods being transported and the worker's role in the broader interstate journey. The court explained that even if a driver did not cross state lines, the driver could still play a direct, active and necessary part in ensuring that the goods cross state lines. Under this reasoning, Mr. Brock's delivery of goods that had originated from out-of-state bakeries made him an integral part of an interstate commercial transaction, even though his route remained entirely within Colorado.

What This Means for Motor Carriers and Transportation Providers

The *Flowers Foods* decision narrows the ability of motor carriers and transportation providers to rely on the FAA to compel arbitration of disputes with workers who handle goods moving in interstate commerce. Based on *Flowers Foods*, "last mile" drivers, or those who typically complete the final leg of an interstate shipment within a single state, are generally within scope of Section 1's exemption. This includes employee drivers and independent contractor drivers who operate vehicles that never cross state lines but transport goods that originated out of state.

Section 1's exemption, however, does not mean that all arbitration provisions applicable to last mile drivers are unenforceable. For example, the Court's decision is limited to application of the FAA and does not necessarily dictate the outcome in cases where parties have agreed by contract that a state arbitration

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SCOTUS Extends FAA Exemption to Last-Mile Drivers: What the *Flowers Foods* Decision Means for Motor Carriers and Transportation Providers *continued from page 13*

statute governs in lieu of the FAA. Thus, the Court leaves open the possibility that a transportation worker who signs an arbitration agreement governed by state law could still be compelled to arbitrate a dispute under that state's arbitration act.

Best Practices for Arbitration Provisions

In light of *Flowers Foods* and the continuing expansion of Section 1's exemption, motor carriers and transportation providers can review their arbitration provisions to incorporate state law arbitration statutes. For instance, such arbitration provisions can be drafted to apply in the first instance or if the transportation worker exemption in Section 1 is deemed to apply to last mile drivers. A well-crafted arbitration may include:

1. Clear expressions of the parties' mutual intention to arbitrate any dispute
2. An affirmative statement that if the FAA exemption applies, then state law arbitration statutes will govern
3. A clear and unambiguous waiver with respect to jury trial
4. A clear and unambiguous waiver for dispute resolution on a class, collective or representative basis, coupled with a clear agreement to proceed only on an individual basis

This approach may maximize the likelihood that disputes involving transportation workers will be subject to arbitration on an individual basis. An arbitral forum offers certain tactical and strategic advantages to putative employers defending actions brought by workers.

The Benesch Transportation & Logistics and Labor and Employment teams are well positioned to craft innovative solutions customized for any transportation companies in any segment of the industry regarding this particular issue or any other that may relate to independent contractor programs. Please contact us to discuss the implications of the *Flowers Foods* decision for your business and to review your arbitration provisions.

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Chameleon Carriers—FMCSA's "Reincarnated" Rule and Enforcement

Jonathan R. Todd **Ashley C. Rice**

As the U.S. DOT and its FMCSA ramp up certain elements of domestic enforcement, regulators are utilizing existing laws and regulations that previously were not often invoked. Enforcement of the English language proficiency requirement is one great example. Another more recent example is telegraphing by the FMCSA that it intends to step up enforcement against so-called chameleon carriers. This article focuses on the chameleon carrier issue by clearing up some misunderstandings about what is and is not prohibited, outlining the FMCSA's approach to identifying chameleon carriers, and describing consequences available to the agency. The key takeaway for motor carriers is that there is never a shortcut to compliance.

The concept of a chameleon carrier, or more properly a reincarnated carrier, has existed for some time, particularly after the highway bill known as MAP-21 increased the availability of enforcement options in 2012. To date, however, actual enforcement of the prohibition has been essentially nonexistent. That may be changing.

Reincarnated Carrier Legal History

Reincarnated carrier enforcement developed in stages as Congress and FMCSA worked to meaningfully enforce compliance history. A motor carrier found unfit was historically barred from interstate operations after the applicable waiting period by statute at 49 USC 31144 and by regulation at 49 CFR Part 385. These protective rules for enforcing safety fitness did not expressly prevent companies from winding down an unfit entity, forming a new company, obtaining a new U.S. DOT number and operating authority, and then returning to service with a "clean" record.

Congress first addressed this "reincarnation" problem in the highway bill known as SAFETEA-LU by adding a subsection authorizing the Secretary, upon finding "a pattern or practice of avoiding compliance, or masking or otherwise concealing noncompliance," to withhold, suspend, amend or revoke registration, and to account for that conduct when setting civil penalties. [49 USC 31135.] The SAFETEA-LU update was aimed at intentional "pattern or practice" behavior and marked a clear policy judgment that evasion tactics undermined safety oversight and targeted federal intervention.

FMCSA's next step in strengthening enforcement came in April 2012, when it issued a final rule addressing out-of-service issues and record consolidation proceedings to help target reincarnated carriers. [49 CFR 386.73.] Congress strengthened the statutory mandate in its MAP-21 legislation only a few weeks later after the final rule publication. MAP-21 amended 49 USC 31135 to prohibit motor carriers, employers or persons from using common ownership, management, control or familial relationships to avoid compliance, mask or conceal noncompliance, or hide a history of noncompliance with safety regulations or DOT orders. Together, these changes form the modern legislative and regulatory foundation for identifying reincarnated carriers and consolidating safety records to prevent "new name, same operation" type evasions.

Reincarnated Carrier Prohibition

The term "reincarnated carrier" refers to "motor carriers with common ownership, common management, common control or common familial relationship." [49 CFR 385.1003.] The FMCSA prohibits two or more motor carriers from using ownership and control structures to "avoid compliance, or mask or otherwise conceal non-compliance, or a history of non-compliance, with statutory or regulatory requirements." [49 CFR 385.1003.] Specific actions that trigger possible FMCSA findings of a reincarnated carrier are structures and activities that avoid: (1) complying with an FMCSA order; (2) complying with a legal or regulatory requirement; (3) paying a civil penalty; (4) responding to an enforcement action; or (5) being linked to a negative compliance history. [49 CFR 385.1007.]

Reincarnated Carrier Determinations

The FMCSA applies a factor test to determine whether a group of companies comprises a reincarnated carrier operation. The nonexclusive list of factors is found in regulation at Section 386.73. The 13 factors are generally: (1) whether entities were created for the purpose of evading requirements; (2) safety performance history; (3) consideration exchanged for assets purchased; (4) dates of creation and dissolution of operations; (5) commonality of ownership; (6)

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Chameleon Carriers—FMCSA's "Reincarnated" Rule and Enforcement *continued from page 15*

commonality of officers and management; (7) identity of contact information; (8) identity of equipment; (9) continuity of insurance policies; (10) commonality of drivers and employees; (11) continuation of carrier facilities and physical assets; (12) continuity or commonality of operations; and (13) advertising, corporate name, and how the company holds itself out to the public.

Reincarnated Carrier Consequences

A finding of reincarnated carrier status can lead to out-of-service (OOS) orders, suspension of operating authority, or revocation of operating authority. [49 CFR 385.1009, 385.1011, 386.73.] Civil and criminal penalties are possible in addition to administrative consequences. [49 CFR 385.1017.]

The FMCSA of course has other tools available if it chooses to enforce against similar safety-related fact patterns with compliance violations. The most basic statutory tool is the requirement that all motor carrier applicants are "willing and able" to comply with all applicable safety regulations and security fitness requirements. [49 USC 13902.] In seeking operating authority, applicants must also identify common ownership, control or even familial relationships with other motor carriers. [Id.] Failure in these elements, including the disclosure of relationships, may also lead to the FMCSA withholding, suspending, amending or revoking operating authority pursuant to 49 USC 13905.

Government Enforcement Process

If the FMCSA suspects a carrier is operating under a new identity or through an affiliate for an improper purpose, it may initiate action by issuing an order (including an OOS order or a Records Consolidation Order) that sets out the factual and legal basis together with an effective date. [49 CFR 386.73(f).] The targeted carrier may then request administrative review by filing a timely petition that generally stays the order unless FMCSA lifts the stay for good cause.

The administrative review process typically focuses on alleged factual or procedural errors in issuing the order (not post-order corrective measures). [49 CFR 386.73(g).] The Administration issues written decisions that constitutes the final agency order. [49 CFR 386.73(g)(9).] This process is in addition to other available procedures available for carriers to challenge operating authority suspension or revocation decisions with timely filed petitions. [49 CFR 385.1009; 49 CFR 385.1009.] A carrier that operates in violation of an order issued may be subject to civil penalties. The penalties go up to $29,980 for each day the operation continues after the effective date of the out-of-service order. [49 CFR Pt. 386, App. A.]

Compliance obligations are mission-critical for all motor carriers large and small. All filings with the FMCSA must be truthful, and all federal motor carrier safety regulations must be observed as best as possible. Doing so keeps professional drivers and the families using our roadways safe. Going forward, the risk of government enforcement, including possible criminal penalties, may be higher than the transportation industry experienced in the past.

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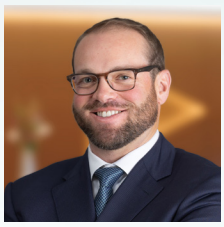
Increased CARB Enforcement of Diesel Transport Refrigeration Units (TRUs) Rocks Transporters and Receivers of Refrigerated Shipments in California

Marc S. Blubaugh



Reed W. Sirak

Brian Cullen

The California Air Resources Board (CARB) is expected to ramp up enforcement of the amended Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units. These rules impose registration, reporting and compliance obligations on both TRU owners and the facilities that receive refrigerated shipments. The requirements of SB 153 are not limited to TRU owners and facility operators in California. SB 153 impacts those based outside California as well as businesses that simply operate facilities in or transport refrigerated shipments into California. All affected parties should take careful note of these requirements.

TRU Owner Registration and Compliance

Under existing California law, all TRU owners, including those based outside California, must register every diesel-powered TRU (i.e., refrigerated trailers, refrigerated intermodal containers) that operate in the state via the Air Resources Board Equipment Registration System (ARBER) system and obtain a CARB Identification Number (IDN). Owners must also affix CARB compliance labels to each registered unit every three years and pay operating fees, which CARB uses to support its expanded enforcement activities.

Facility and Consignee Obligations

Current CARB regulations place direct compliance responsibilities on "applicable facilities," which are defined as refrigerated warehouses or distribution centers of 20,000 square feet or greater, grocery stores of 15,000 square feet or greater, seaport facilities, and intermodal railyards where TRUs operate. These facilities must register with CARB and then satisfy one of two ongoing obligations:

Option 1–Quarterly Reporting: As instituted in April 2024, applicable facilities electing to utilize the Quarterly Reporting option are required to collect all TRU activity occurring within the facility's fence line or property boundary. These facilities are then required to submit quarterly reports to CARB using CARB's Applicable Facility Quarterly Reporting Template. Each report must include the CARB IDN (or alternative unique identifier), carrier information, and USDOT or CA carrier number for every TRU that has entered the premises during each reporting period. CARB then uses the quarterly reporting to target its enforcement efforts against both in- and out-of-state owners of noncomplaint TRUs.

Option 2–Compliance Declaration: Alternatively, under the Compliance Declaration option, an applicable facility may provide a declaration to CARB—under penalty of perjury—that noncompliant TRUs will not be permitted to operate inside the facility. This means the consignee must verify whether each arriving diesel TRU holds a valid CARB compliance label or is listed as compliant in CARB's ARBER database and refuse to accept shipments carried by unregistered or noncompliant TRUs. For example, an applicable facility must refuse to accept delivery if the TRU owner fails to affix the CARB compliance labels on the TRU. In practice, however, applicable facilities do not favor this option because they must refuse acceptance of perishable goods that could be worth hundreds of thousands of dollars. This makes quarterly reporting the only pragmatic compliance option for the vast majority of affected facilities.

"Under state law, CARB has the ability to fine noncompliant parties up to $10,000 per day for infractions."

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Increased CARB Enforcement of Diesel Transport Refrigeration Units (TRUs) Rocks Transporters and Receivers of Refrigerated Shipments in California *continued from page 17*

Enforcement and Penalties

CARB has signaled heightened enforcement of these requirements in 2026. Recently, CARB sent invoices via email to current users of ARBER, informing companies of registration fees and that such fees will be utilized to support greater enforcement of TRU regulations.

Should CARB discover nonreported or noncompliant TRUs operating at an applicable facility by using the quarterly reporting or automated roadside monitors, the TRU owner—as well as the owner or operator of the applicable facility—may face penalties under California Health and Safety Code, with escalating penalties for each additional violation. Under state law, CARB has the ability to fine noncompliant parties up to $10,000 per day for infractions.

Recommended Action Items

We encourage all businesses involved in cold-chain logistics in California that are impacted by SB 153 to confirm that every diesel TRU in their fleet is registered with CARB and displays a current compliance label. And, if a business is operating an applicable facility in California, the business should ensure that it submits the quarterly reporting or the compliance declaration. Benesch will continue to monitor CARB enforcement.

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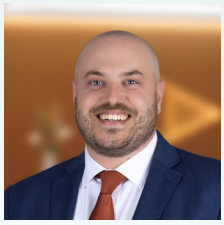
TSA Authorized Representatives—Emerging Practice of Engaging Freight Brokers and Its Practical Implications



Jonathan R. Todd **Christopher C. Razek**

Air transportation safety has long been of critical supply chain importance and geopolitical significance, and that role is growing. Supply chain constraints over this decade have driven a need for adaptation, modal diversification and cost containment. To do so, authorized air cargo providers have increasingly explored new ways to add capacity for regulated surface transportation.

The primary regulated air cargo providers in the United States are air carriers and indirect air carriers. Direct air carriers operating under 14 CFR Part 119 are certificated by the U.S. Department of Transportation, the Federal Aviation Administration, and DHS's Transportation Security Administration. The operating rules associated with direct air carriage are found in 14 CFR Parts 121 or 135. Indirect air carriers, on the other hand, are persons or entities within the United States that do not possess an FAA air carrier operating certificate but undertake to engage indirectly in the air transportation of property, utilizing the services of a direct air carrier for all or part of the transportation. Indirect air carriers are also required to maintain a license with the Transportation Security Administration.

Surface transportation providers are sometimes relied upon to perform secure regulated transportation incident to the air cargo supply chain functions. Security requirements necessitate that air providers engage ground transportation providers through strict security terms and indemnity obligations. Historically those surface functions were performed through direct contractual engagements known as authorized representative relationships. Recently however, there has been growing interest from indirect air carriers to engage property brokers to ensure capacity needs are met.

Key Air Cargo Compliance Obligations

The bedrock requirement for both direct and indirect air carrier operations is compliance with the TSA security program they were issued. Direct air carriers must adopt and implement an Aircraft Operator Standard Security Program (AOSSP) or its full all-cargo version, and indirect air carriers implement an Indirect Air Carrier Standard Security Program (IACSSP). Security programs are issued by the TSA and are by their nature designated as Sensitive Security Information (SSI). The actual content of the security program is strictly protected from disclosure by SSI statutory restrictions absent certain narrowly tailored exceptions.

Only general public themes may be discussed in this article due to the SSI nature of the material. All regulated parties designate Security Coordinators and Cyber Security Coordinators to liaise with the agencies in managing compliance under the security programs. Basic public categories of those compliance obligations include protection of SSI, managing Security Threat Assessment (STA) screens of personnel, observing chain of custody and Known Shipper requirements, and incident reporting, as well as training requirements.

Incidental Ground Transportation for Air Cargo

All air cargo traffic is naturally just one leg in an item's supply chain journey. All cargo must be picked up from its origin and delivered at a cargo screening facility or airport only to be picked up once again at its destination airport facility and delivered to its final destination. The entire process includes many regulated and unregulated handlers, traffic through secure areas, screening, consolidation and deconsolidation in unit load devices (ULDs), and multiple different surface vehicles.

Ground transportation providers who participate in secure regulated functions do so under their authorized representative relationship with air carriers and indirect air carriers. Authorized representatives serve as agents of the regulated parties they serve. Essentially, authorized representatives are tasked with fulfilling certain vital security functions associated with tender of air cargo as if those roles were performed by the regulated parties themselves. For example, a typical authorized representative structure includes air carriers' engagement of motor carriers directly to ensure that ground transportation is achieved in compliance with the security program.

Market Trend Toward Engaging Brokers

Surface transportation in support of regulated air cargo has traditionally been

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TSA Authorized Representatives—Emerging Practice of Engaging Freight Brokers and Its Practical Implications

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accomplished through engagement of asset-based motor carriers. In this market, there is a noticeable trend toward regulated air cargo providers engaging non-asset brokers who then arrange for that surface transportation. The motivation is understandable since this expands available capacity and potentially eases cost pressures. It is not impossible for brokers to participate in authorized representative relationships. The challenge is those brokers increase the degree of separation between authorized air carrier or IAC, and as a result, introduce new risks and potential vulnerabilities that must be addressed if this model is deployed.

Operational Challenges for Brokered Transportation

There may be an opportunity for some security-conscious brokers to meet this market demand by building strong operating relationships within their network of ground transportation providers. The starting point for building these structures is alignment with the regulated provider on the role that the broker serves. In most cases it never has physical possession over the cargoes. It also has no direct relationship with individuals who may have unescorted access to those cargoes. A regulated air cargo provider cannot self-blind to these operational facts. The next step in building these relationships is to effectively flow down operating requirements as directed by the regulated air carrier or IAC, through the broker, and to the underlying motor carrier.

In most cases this model is reasonably achievable in ways similar to how any complex high-risk arrangement of transportation can be accomplished through brokers. STA requirements and all other operating procedures required under the applicable AOSSP or IACSSP are built into contractual and load-specific terms. If the underlying motor carrier is familiar with regulated air transport, perhaps by serving as an authorized representative for other regulated parties, then there may be a high degree of trust in service performance and therefore a lower practical likelihood of risk. If on the other hand the carrier is inexperienced, and typically hauls general commodities, then the risk of error and high-dollar exposure flowing through the value chain increases dramatically.

Enforcement Risk

We handle a high volume of TSA enforcement defense cases in our practice, many of which are successfully resolved with low or no civil penalty exposure. The monetary face value of these Notices of Civil Penalty as issued are significant, with ranges often extending from tens of thousands to tens of millions of dollars. Among the many tools for successful defense are the basics of operational review through root cause analysis, development of appropriate corrective actions, and then credibly deploying those actions. This exercise is made far more difficult when multiple third-party providers are introduced into the supply chain as authorized representatives.

The TSA will in the first instance look to the regulated service provider during enforcement actions. The question of whether a violation occurred, the magnitude of risk for air cargo security, and the risk of reoccurrence often drive the tone of settlement. This remains true regardless of how operations were conducted, even if, for example, an underlying motor carrier utilized a driver that did not hold an STA to perform the operation. As a result, the otherwise simple review for root causes, and implementation of corrective actions, can be much more complex when defending enforcement actions. Authorized representative letters will typically include strong indemnity so that exposure is compensable, such as in our example of a brokered carrier's driver. There the broker (and by extension likely its carrier) will suffer liability for

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Customs Duty Assists: Regulatory Compliance Overview and FAQ

Jonathan R. Todd **Megan K. MacCallum** **Catherine A. McClure**

Customs compliance and enforcement defense are high-profile exercises within U.S.-based importers due to the higher-risk regulatory enforcement environment. One of the more complex hot topics facing compliance and legal professionals within importers of record (IORs) is the degree to which "assists" impact dutiable value, and therefore duty burden, in the eyes of U.S. Customs and Border Protection (CBP). This article delivers a high-level overview of the regulations that apply to assists in dutiable value calculations and then offers hypothetical scenarios to demonstrate how calculations and apportionment may occur.

Q: What is an assist and how does it impact dutiable value?

A: Assists are a legal concept that introduces value given to a foreign producer into dutiable value calculations. Dutiable value is typically the transaction value or the price paid or payable for the goods, although there are other methods available under regulation. An assist is any non-U.S. value that the IOR or buyer provides to suppliers or manufacturers in the production and development of the imported good. This value is part of the total price paid or payable for the goods, and so it must be included in a dutiable value calculation. Assists may include tangible items like materials incorporated into goods; tools and equipment used to make the goods; and merchandise that is consumed in the production of the goods. Assists may also include intangible support like engineering, development, artwork, design work, plans and sketches. The value of an assist also includes transportation costs of the assist to the place of production.

There are three ways for calculating and therefore paying for assists: (1) the IOR may apportion the value of the assist for entire production over the first shipment of the units imported; (2) the IOR may apportion the value of the assists over the number of units produced up to the time of the first shipment; or (3) the IOR may apportion the value of the assist over the entire anticipated production. If an IOR imports only a portion of the goods to the U.S. then the appropriate portion of the value of the assist may be apportioned across the goods shipped to the U.S.

Q: What is a practical example of the three mechanisms of assist apportionment?

A: Here's an example of how apportionment could work in practice, recognizing that all scenarios are fact specific. An IOR will import 50,000 units of merchandise, and provided a Taiwan manufacturer with molds valued at $5,000 to produce the units. The first shipment to the U.S. will include 10,000 units. At the time of this shipment, the supplier completed 20,000 units. The IOR plans to import the full 50,000 units in five shipments of 10,000 units.

First, the IOR could apportion the value of the assist over the first shipment. To do this, it would pay the full $5,000 value of the molds when importing the first shipment of 10,000 units.

Alternatively, the IOR could apportion the value of the assist over the number of units made at the time of the first shipment. Here, the supplier has completed 20,000 units currently. So, the IOR would pay $2,500 at the time the first 10,000 units are imported. Then, the IOR would pay the remaining $2,500 when importing the second batch of merchandise.

Finally, the IOR can apportion the value of the assist over the entire anticipated production. Here, the IOR plans on importing the goods in five separate shipments. So, the IOR would pay $1,000 each of the five times goods are imported.

Q: What should an IOR do to apportion the value of an assist across units when the value of the assist fluctuates?

A: IORs apportion the value of their assists over the first shipment, the number of units produced at the time of the first shipment, or over the entire anticipated production. However, if these general methods of apportionment do not work because the value of the assist fluctuates, then the IOR can submit a new apportionment mechanism to CBP

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Customs Duty Assists: Regulatory Compliance Overview and FAQ *continued from page 21*

for approval. The requested mechanism must be reasonable and follow generally accepted accounting principles. If CBP approves this new apportionment method, then the importer may allocate the assists accordingly.

Q: How should an IOR apportion the value of an assist across units when they import some portion of their merchandise to the U.S. and another portion to a non-U.S. country?

A: The IOR will split the value of the assist between the percentage of goods they send to the U.S. and the percentage of goods they send to the foreign country. For example, if an assist here is valued at $10,000 and the IOR wants to send half the merchandise to the U.S., then the IOR would be based on half the value of the assists, or $5,000, for the merchandise imported to the U.S.

Q: Does an IOR need to pay for both tangible and intangible items created in the United States as assists?

A: Tangible U.S.-origin items, like materials incorporated into goods, tools and equipment used to make the goods, and merchandise "consumed" in the production of the goods, qualify as an assist. However, intangible U.S.-origin items like engineering, development, artwork, design work, plans and sketches do not. So, the importer will only have to pay for the value of the tangible item when calculating the price paid for assists.

Q: If an IOR inaccurately calculates assists, or fails to include assists in dutiable value, how can it ensure appropriate duties are paid on the imported units?

A: The IOR can correct the error by filing a Post-Summary Correction (PSC) with Customs to modify the dutiable value reported on its Entry Summary. If the IOR realizes that it made a mistake in apportionment calculations within 300 days of filing the Entry Summary or 15 days before the scheduled liquidation date (whichever comes first) then a PSC automatically corrects the mistake. If the window to file a PSC has closed, then the IOR can submit a prior disclosure to Customs to report the error at its election. The statute of limitations for CBP enforcement of requirements to report and pay duties based on accurate dutiable value is five (5) years.

The Benesch team is experienced at navigating customs matters and supporting importers, Customs Brokers and service providers in managing trade regulatory compliance and enforcement matters as well as the business implications of these matters on the supply chain. You may receive our client alerts on tariffs and related supply chain issues by signing up **HERE**.

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Benesch Partners Jonathan Todd and Philip Nester **Named to 2026 Lawdragon 500 Leading Lawyers in Maritime, Admiralty & The High Seas**

LAWDRAGON

Benesch is pleased to announce that Jonathan R. Todd, co-lead of the firm's Transportation & Logistics Practice Group, and Partner J. Philip Nester have been named to the 2026 Lawdragon 500 Leading Lawyers in Maritime, Admiralty & The High Seas. This guide honors lawyers whose experience spans international ocean commerce, contracting, maritime regulatory compliance, day-to-day business operations, incident response and international disputes.

Honorees are selected by the Lawdragon editorial team through submissions, journalistic research and rigorous editorial review. The 2026 Lawdragon cohort advises clients navigating the 71 percent of the Earth covered by water—from Monaco and Galveston to London and Athens' port of Piraeus, and from Seattle and Dubai to New Orleans and Hong Kong. The Lawdragon 500 series is widely regarded as one of the legal industry's prestigious distinctions, spotlighting leading attorneys across all practice areas.

TSA Authorized Representatives—Emerging Practice of Engaging Freight Brokers and Its Practical Implications *continued from page 20*

contractual indemnity arising out of the incident. However, any damage to the TSA relationship and the negative enforcement history will remain with the regulated party even if monies are collected.

Taking Care Before Offering or Accepting AR Responsibility

This emerging trend of arranging for regulated surface transportation through brokers very well may grow in the years to come, absent policy or regulatory change. It may be attractive from a business growth perspective, but this is not for the faint of heart. Brokers are particularly vulnerable to enforcement risk because of their intermediary role in these fact patterns. The broker will undoubtedly bear indemnity exposure to the air carrier or IAC. It will flow down operational requirements to the carrier, but it has no oversight or control over performance by the carrier. If there were to be a technical regulatory violation during carriage, then the regulated air cargo provider will face enforcement, and require assistance as well as indemnity from the broker, who will then turn around and require the same from the carrier. This may appear very similar to most brokered relationships, but here are two key differences: The magnitude of regulatory risk is astronomically higher as is the possibility for technical operational errors on the part of the carrier that caused the risk.

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"There may be an opportunity for some security-conscious brokers to meet the [secure air cargo] market demand by building strong operating relationships within their network of ground transportation providers."

Recent Events

Transportation Intermediaries Association (TIA) Webinar
Marc S. Blubaugh presented "SCOTUS Just Heard Arguments That Could Reshape Freight Broker Liability—Here's What You Need to Know."

March 11, 2026 | Virtual

The Hight Court Report
Marc S. Blubaugh was interviewed about federal preemption and the future of the freight brokerage industry.

March 12, 2026 | Virtual

Transportation and Logistics Council (TLC) 52nd Annual Conference
Eric L. Zalud presented "Where Worlds Collide: The Interface of Broker Liability and Carrier Liability." **Martha J. Payne** attended.

March 15–18, 2026 | Nashville, TN

Open Road Ventures Growth Capital Forum
Marc S. Blubaugh presented "Industry Updates on Mergers & Acquisitions."

March 18, 2026 | Atlantic City, NJ

Plastics News Executive Forum
Jonathan R. Todd presented "The Effect of Tariffs on Plastics Manufacturing."

March 24, 2026 | Clearwater, FL

Barbri Webinar
Jonathan R. Todd and **Megan K. MacCallum** presented "IEEPA Tariff Invalidation: Key Issues for Supply Chains and Importers; Navigating Alternatives and Refunds."

March 25, 2026 | Virtual

2026 International Warehouse Logistics Association (IWLA) Annual Convention & Expo
Eric L. Zalud presented "Kicking the Tires; M&A Trends and Practicalities in the Warehouse Sector." **Marc S. Blubaugh** and **Christopher C. Razek** attended.

March 29–31, 2026 | San Antonio, TX

IWLA Small Scale Facilities Council Webinar
Christopher C. Razek presented "Legal Q&A."

March 30, 2026 | Virtual

2026 National Customs Brokers & Forwarders Association of America (NCBFAA) Annual Conference
J. Philip Nester attended.

April 12–15, 2026 | San Antonio, TX

TIDA 2026 Cargo Skills Seminar
Eric L. Zalud presented "Damages and Salvage Issues in Cargo Claims."

April 14, 2026 | Charlotte, NC

Transportation Intermediaries Association (TIA) Capital Ideas Conference
Marc S. Blubaugh presented "Innovative Legal 'Hacks' To Protect and Grow Your Business." **Eric L. Zalud** presented "Wrapped Up and Tied with a Bow—Packaging Your Logistics Company for the Marketplace." **Megan K. MacCallum** and **Robert Pleines, Jr.** presented "Top Broker Operations Risks You Aren't Considering." **Martha J. Payne** attended.

April 15–17, 2026 | Phoenix, AZ

Specialized Carriers and Rigging Association (SC&RA) Annual Conference
Eric L. Zalud attended.

April 20–24, 2026 | Amelia Island, FL

CSCMP Columbus Roundtable's Spring Forum
Marc S. Blubaugh attended.

April 24, 2026 | Columbus, OH

ACI's Advanced Summit on Food Law Regulation, Compliance and Litigation
Jonathan R. Todd presented "Navigating the Legal Fallout of Tariffs, Trade Wars, and Immigration on the Food Industry."

April 28, 2026 | Chicago, IL

On the Horizon

Association of Transportation Law Professionals (ATLP) 97th Annual Meeting
Eric L. Zalud is attending.

June 21–23, 2026 | Baltimore, MD

Benesch Investing in Plastics and Performance Materials Conference
Jonathan R. Todd is presenting "Commercial Hot Topics: How They Impact Margin and the Supply Chain."

June 23, 2026 | Chicago, IL

AMI's Flexible Packaging Innovation and Recycling Conference
Megan K. MacCallum is presenting "2026 Update on Tariffs and Trade."

June 24–26, 2026 | Milwaukee, WI

Association of Corporate Counsel Webinar
Marc S. Blubaugh is presenting on *Montgomery v. Caribe.*

June 25, 2026 | Virtual

Shaping the Road Ahead: Evercore Transportation & Logistics Summit

Eric L. Zalud and **Marc S. Blubaugh** attended.

April 28–29, 2026 | Coral Gables, FL

American Logistics Aid Network Partners Call

Jonathan R. Todd presented "IEEPA Tariff Refund Update."

April 29, 2026 | Virtual

Transportation Lawyers Associations (TLA) Annual Conference

Marc S. Blubaugh presented "The World Is Not Enough: A Conversation with Anne Reinke." **Kristopher Chandler** participated in the AI-Powered Freight: Contracting, Liability, and Compliance for Maritime and Intermodal Tech Tools panel. **Eric L. Zalud** presented "Seven Deadly Sins (Against Brokers)! And How to Manage and Prevent Them." **Martha J. Payne** attended.

April 29–May 1, 2026 | Amelia Island, FL

7th Chicagoland Supply Chain Forum

Vanessa I. Gomez presented "Managing Geopolitical Risk in Supply Chains."

May 15, 2026 | Chicago, IL

Utility Supply Management Alliance's Annual Conference

Marc S. Blubaugh presented "Megawatts in Motion: Trucking & Freight Strategies for Utility Supply Chains."

May 17–20, 2026 | Port Charlotte, FL

Transportation Intermediaries Association (TIA) Webinar

Marc S. Blubaugh presented "*Montgomery v. Caribe*: The Supreme Court Ruled. Here's What Brokers Need to Know."

May 18, 2026 | Virtual

FreightWaves Fraud Symposium 2026

Robert Pleines, Jr. presented "Regulation and Legal Update: Navigating Broker Liability Standards and Insurance Complexities."

May 20, 2026 | Cleveland, OH

Agriculture Transportation Coalition (AgTC) Annual Meeting

J. Philip Nester attended.

May 18–21, 2026 | Tacoma, WA

IRMI Transportation Risk Conference

J. Philip Nester presented "Emerging Insurance, Legal, and Operational Risks in Global Supply Chains."

June 1–3, 2026 | Dallas, TX

The National Trucking Association's National Account and Finance Council Annual Conference and Exhibition

Robert J. Kolansky presented "Federal Enforcement Priorities: Compliance Strategy for Trucking, Trade, and Corporate Risk." **Eric L. Zalud** attended.

June 1-3, 2026 | Pittsburgh, PA

Marsh Webinar

Marc S. Blubaugh presented "Legal and regulatory implications of *Montgomery vs. Caribe Transport II, LLC."*

June 8, 2026 | Virtual

Transportation Intermediaries Association (TIA) Midwest Regional Meeting

Eric L. Zalud presented "Insurance Risks, Gaps and Coverage Issues for Brokers."

June 9, 2026 | Omaha, NE

3rd Passport to Proficiency on U.S. Customs Compliance – American Conference Institute Virtual Proficiency Series

Jonathan R. Todd and **Megan K. MacCallum** presented "A Practical Roadmap to Supply Chain Mapping & Traceability and Diversification Risk Mitigation."

June 12, 2026

Conference of Freight Counsel (CFC) Summer Meeting

Eric L. Zalud is attending.

June 27–29, 2026 | Santa Fe, NM

National Home Delivery Association's (NDHA's) Annual Forum

Marc S. Blubaugh is presenting "Artificial Intelligence Breakout." **Jonathan R. Todd** is participating in the Advocacy & Regulatory Roundtable.

July 19–21, 2026 | St. Louis, MO

Truckload Carriers Association (TCA) Refrigerated Meeting

Eric L. Zalud is attending.

July 22–24, 2026 | Nashville

American Logistics Aid Network's Non-Profit Logistics Forum

Marc S. Blubaugh is presenting "Transportation Legal Update."

July 23, 2026 | Virtual

American Trucking Associations' (ATA) Legal Trucking Forum

H. Alan Rothenbuecher, Margarita S. Krncevic and **Alyson Waite** are presenting "Navigating ICE Encounters: Legal Preparedness for Trucking Employers and Dispatch Teams." **Marc S. Blubaugh** and **Eric L. Zalud** are attending.

August 2–4, 2026 | Washington, DC

Jarrett Supply Chain Summit

Marc S. Blubaugh is presenting.

August 6, 2026 | Cleveland, OH

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