

The Supreme Court – June 6, 2022

by Ian Blodger

Today, the Supreme Court of the United States issued three decisions and granted certiorari in one case:

Opinions:

Southwest Airlines v. Saxon, No. 21-309: This case concerns the scope of the Federal Arbitration Act's (FAA) exemption for certain interstate transportation workers—namely, “seamen, railroad employees, or any other class of workers engaged in foreign or interstate commerce.” The case arose from a wage dispute between Southwest Airlines and Latrice Saxon, a ramp agent supervisor. After Saxon sued in federal court, Southwest moved to dismiss in favor of arbitration. The district court concluded that Saxon was not a transportation worker and thus not in the scope of the FAA's exemption for transportation workers. The U.S. Court of Appeals for the Seventh Circuit reversed, reasoning that Saxon was within the scope of the exemption. Today, in a unanimous 8-0 decision, the Supreme Court held that Saxon, a ramp agent supervisor, qualifies as an interstate transportation worker within the meaning of the FAA's exemption.

View the Court's [decision](#).

Siegel v. Fitzgerald, No. 21-441: This case involves the interpretation of the Constitution's Bankruptcy Clause, which enables Congress to establish “uniform Laws on the subject of Bankruptcies throughout the United States.” U.S. Const. Art I, §8, cl. 4. Due to bankruptcy judges' significant judicial and administrative responsibilities, Congress established the United States Trustee Program to help separate these judicial and administrative functions. Congress attempted to expand the program nationwide in 1986, but received resistance from the six judicial districts in North Carolina and Alabama. Accordingly, Congress exempted these six districts from the Trustee Program. Although the six judicial districts and the Trustee Program generally charged similar fees to debtors, in 2017 the Trustee Program began charging significantly more to help address a possible shortfall in funding. The six judicial districts delayed adopting a

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similar fee structure, meaning some similarly situated debtors were charged significantly different fees depending on the venue of their case. A debtor challenged the increase in fees under the Trustee Program, arguing the fee increase was not uniform. The bankruptcy court agreed, but a divided Fourth Circuit reversed, holding the fee increase was acceptable because it was not based only on arbitrary geographic differences. In a unanimous decision, the Supreme Court held that Congress' enactment of a significant fee increase that exempted debtors in two States violated the uniformity requirement of the Bankruptcy Clause. The Court reasoned that the differences in fees did not stem from an external and geographically isolated need, but from Congress' creation of a dual bankruptcy system.

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Gallardo v. Marstiller, No. 20-1263: This case concerns reimbursement when a State Medicaid program pays for medical expenses that a beneficiary incurs, if the beneficiary then recovers a settlement from the third party who caused the injury. The victim in this case was a Florida girl who suffered major injuries when a truck struck her as she stepped off a school bus. Florida's Medicaid agency paid for some of the girl's medical expenses, and the girl and her family then recovered an \$800,000 settlement with the truck's owner and driver. Today, in a 7-2 decision, the Supreme Court held that a provision of the Medicaid Act permits a State to seek reimbursement from settlement payments allocated for future medical care. Justices Sotomayor and Breyer dissented

View the Court's [decision](#).