EPA repeals endangerment finding: Now what?

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On Feb. 12, 2026, the President and the U.S. Environmental Protection Agency repealed the 2009 endangerment finding that classified greenhouse gas (GHG) emissions as a threat to public health. "This is about as big as it gets," said President Trump at the White House with EPA Administrator Lee Zeldin.

The endangerment finding underpinned the federal regulatory agenda for climate-related regulation and shaped how companies assessed climate-related environmental risk and regulatory compliance.

Now what?

The repeal is consequential, but its practical effects may be misunderstood. The most important takeaway for businesses is that stroke-of-the-pen disruption, rather than traditional science-based regulation, presents a new kind of compliance risk. Understanding the actual compliance impacts of the repeal, preparing for continued uncertainty, and adapting to ensure durability in the marketplace are essential skills for boards, senior leadership, and compliance professionals.

The repeal, if upheld, affects mainly vehicle and engine emissions standards, plus fuel efficiency standards. The standards were set in motion when the U.S. Supreme Court accepted that the transportation sector emits an enormous quantity of carbon dioxide into the atmosphere and held that EPA has authority under section 202 of the Clean Air Act to regulate new vehicle emissions of GHGs. *Massachusetts v EPA*, 549 U.S. 497 (2007).

In 2009, EPA determined under section 202(a) of the Clean Air Act that atmospheric concentrations of GHG endanger both public health and public welfare and published its endangerment finding, 74 Fed.Reg. 66496 (December 15, 2009). Subsequently, EPA adopted new motor vehicle and engine emissions standards, plus fuel efficiency standards, limiting GHG emissions from light and heavy-duty vehicles.

EPA adopted more rules that covered GHG emissions as regulated air pollutants in new source review permitting, imposed emissions standards for power plants, plus oil and gas operations, and required reporting on GHG emissions from certain industry sectors.

The rules addressing emissions from sources other than motor vehicles do not flow directly from section 202 of the Clean Air Act. Authority for these requirements flows from other Clean Air Act provisions; for example, the GHG reporting rule is rooted in section 114 authorizing collection of emissions data; the oil and gas standards are rooted in section 111 of the Clean Air Act. These rules are not directly impacted by the repeal, like the vehicle emissions requirements; however, these regulations are targets for roll backs.

No immediate compliance relief

Repealing the endangerment finding does not change existing compliance obligations. The repeal marks the first step in deregulation. Legal challenges to the repeal are underway, and a judicial stay of the repeal is likely while litigation proceeds. Assuming a stay, existing regulations remain in force during prolonged litigation. Existing regulations also remain in effect during the subsequent administrative processes to roll back federal requirements.

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If the repeal is upheld, then the most immediate impact will be for EPA to initiate the administrative process to roll back the federal vehicle and engine emissions standards. Those standards stem directly from the Supreme Court's decision in *Massachusetts v. EPA* (2007) and EPA's 2009 endangerment finding that required EPA to regulate GHG emissions from motor vehicles. It is this action that EPA reports will result in an average cost savings of over $2,400 per new vehicle.

Beyond rolling back the federal motor vehicle standards, a judicial decision upholding the repeal would fuel a broader regulatory agenda to roll back other GHG regulations, even

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those authorized under different sections of the Clean Air Act. These include GHG emissions standards for power plants and oil and gas operations.

In addition, programs such as new source review permitting requirements and mandatory GHG emissions reporting will be vulnerable to roll backs. Although these rules are authorized by different sections of the Clean Air Act (not section 202, like the vehicle emissions standards), they are connected to EPA's past regulatory agenda to reduce GHG emissions. Consequently, judicial action upholding the repeal builds momentum to target these regulations, too.

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Notably, after any litigation on the endangerment finding concludes, if EPA is successful, then the agency must take formal administrative action to roll back these existing rules. EPA must use the same process under the Administrative Procedures Act to roll back existing rules as it used to adopt the rules. Steps include notice, public comment, response to comments, and repeal.

That's why there is no regulatory "off switch" that changes compliance obligations simply because of EPA's repeal on February 12, 2026. Abandoning compliance now exposes companies to risks as these legal maneuvers manifest, and if the repeal is not upheld.

Litigation is underway

Predicting whether the repeal survives judicial review is unwise. One easy prediction is that litigation will be prolonged. During the litigation a stay will likely preserve current compliance obligations, for example the mandatory GHG reporting rule requirements. That prediction reinforces the importance of complying with existing rules for now.

If the repeal is ultimately upheld, then additional deregulation actions will move forward. During the litigation state and international compliance obligations will also continue in effect.

State action to fill the federal void

Climate regulations may be under scrutiny at the federal level; however, climate remains a policy and regulatory priority for some states, and for many consumers, climate change impacts and resilience remain a priority.

When a federal regulatory framework is weakened, some state governments fill the gap, creating a patchwork of rules that vary by jurisdiction, making compliance more complex for companies operating across multiple states. Managing overlapping and sometimes inconsistent obligations raises both compliance costs and the risk of non-compliance.

International and market pressures persist

Federal regulatory agenda does not manifest in isolation. International climate requirements, like those from the European Union and other jurisdictions, continue to direct corporate disclosures and operational practices on climate related impacts.

Investor expectations and market pressures also influence climate-related governance. Stakeholders consider mitigation of climate risk as a financial and operational imperative, expecting companies to implement credible strategies to mitigate the risks.

Disruption creates risk

Regulatory disruption creates material risk. Shifting regulatory directions complicate governance, compliance, and internal controls, especially for multinational or multi-state businesses that are tracking and reporting on GHG emissions. Regulatory disruption can be costly and tests alignment of compliance investments with long-term business strategies.

The repeal of the endangerment finding is an example of risks identified by Professor William W. Towns, faculty at Northwestern University's Kellogg School of Management and the University of Chicago that he calls "Stroke-of-the-Pen" and "Rhetorical Arbitrage." The stroke of the pen endangerment repeal sets in motion actions to retool compliance programs, and the rhetorical arbitrage surrounding the litigation and potential ultimate outcomes lead to guessing about knock-on impacts. Both disruptions consume limited resources of leaders and compliance teams. Both disruptions create risk.

Stay the course through political volatility

In this reality, compliance with existing obligations is advised. Reducing emphasis on compliance in anticipation of deregulation is ill-advised. Scaling back compliance programs jeopardizes compliance status now and creates gaps that are costly to rebuild. Investing in a culture of compliance and finding innovative solutions that marry profitability and sustainability ensure that steady, stable, durable markets persist.

Business solutions and decisions that reflect thoughtful consideration of environmental, social, and governance impacts are durable long-term solutions that build market value and market endurance. Navigating political volatility is not a new sport for business and the best performers remain vigilant and adaptable, while pursuing core values relentlessly.

Board and leadership oversight

Compliance is the baseline; accountability starts and ends with the board and senior leadership. Boards and senior leaders are responsible for setting the values and direction that compliance teams support. Boards and senior leaders are

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responsible for risk assessment and de-risking investments that compliance teams implement.

The questions for boards are 'how do directors and senior leaders value climate change risks and de-risking strategies?' And 'how will this company execute today to ensure durability and longevity in a world where external conditions are shape-shifting quickly, and consumer expectations refresh often?'

The answers will vary from organization to organization. All boards will benefit from more competency and more practice exploring these durability questions to infuse those analyses into routine business decision making.

Conclusion

The repeal of the EPA's endangerment finding is a significant and disruptive moment in U.S. climate policy. The immediate practical impact on corporate compliance is nil, however. For corporate governance and compliance teams remaining steadfast on compliance and investment in climate related resilience strategies is essential to navigate the current turbulence. Through continuity of compliance programs, informed board oversight, and innovative business solutions, organizations can better protect their long-term value and durability.

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