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EPA's Endangerment Finding Repealed: The Coming Legal Battle and What It Means for State Climate Regulation

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The U.S. Environmental Protection Agency (EPA) issued a final rule on February 12, 2026, rescinding the 2009 "Endangerment Finding" under Section 202(a) of the Clean Air Act (CAA) and repealing federal greenhouse gas (GHG) emission standards for motor vehicles that relied on that finding. Less than a week later, a coalition of public health and environmental organizations filed a challenge in the U.S. Court of Appeals for the D.C. Circuit, asserting that the rescission is unlawful and directly targeting the legal foundation of federal GHG regulation under the CAA.

The litigation places renewed focus on the boundary between federal retrenchment and state authority. While the repeal narrows federal regulatory obligations, it does not eliminate state-level authority to regulate GHG emissions under state law, subject to longstanding principles of federal preemption – particularly in the mobile source context and with respect to extraterritorial regulation. As a result, regulated entities should anticipate a period of heightened uncertainty characterized by increased state-level activity, potential regulatory fragmentation, and an elevated risk of preemption-focused litigation. The outcome of the D.C. Circuit challenge – and any subsequent Supreme Court review – will play a critical role in shaping both the durability of federal climate authority and the scope of state GHG regulation going forward.

Background: Rescission of the Endangerment Finding

Under Section 202(a) of the CAA, EPA must regulate air pollutants that "cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare." After the Supreme Court held in *Massachusetts v. EPA* that GHGs qualify as such pollutants, the Obama administration's EPA issued two key findings serving as the foundation for regulating GHG emissions under the CAA:

(1) the 2009 "Endangerment Finding," which concluded that six GHGs – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆) – endanger public health and welfare; and

(2) the Cause or Contribute Finding, which determined that GHG emissions from new motor vehicles and new motor vehicle engines are a meaningful contributor to the overall GHG problem that has been found to be dangerous to public health and welfare.

Last week, EPA took a significant deregulatory step, finalizing a rule that rescinds the 2009 Greenhouse Gas Endangerment Finding and repeals "all subsequent federal GHG emission standards" for vehicles and engines. Notably, this action only impacts GHG emissions and does not affect regulation of traditional air pollutants.

EPA grounded its decision in a revised interpretation of the statute and intervening Supreme Court precedent, including *West Virginia v. EPA* and *Loper Bright Enterprises v. Raimondo*. In doing so, EPA determined that Section 202(a) "does not provide the authority to regulate GHG emissions from new motor vehicles or new motor vehicle engines for the purpose of addressing global climate change concerns."

Legal Challenges

This repeal is expected to prompt multiple legal challenges, with litigation taking months or years to resolve, and could have sweeping implications if upheld. Already, on February 18, 2026, a coalition of public health and environmental organizations [filed a lawsuit](#) against EPA and Administrator Lee Zeldin in the U.S. Court of Appeals for the D.C. Circuit, asking the Court to review the action taken by EPA to rescind the Endangerment Finding and related repeal of climate rules for motor vehicles.

While the petition merely initiates the case without setting forth detailed legal arguments, public comments made by the petitioners emphasize that EPA is legally obligated under the CAA to regulate pollutants that endanger public health and welfare and that the scientific basis for the Endangerment Finding has only strengthened over time. EPA, by contrast, has argued that Section 202(a) does not authorize motor vehicle GHG standards adopted "for the purpose of addressing global climate change concerns," and that, absent such authority, both the Endangerment Finding and the vehicle standards predicated upon it cannot stand. EPA has also asserted that eliminating all U.S. vehicle GHG emissions would have no material impact on global climate change – one of several reasons it claims the standards are not necessary to carry out EPA's core mission, even aside from its statutory-interpretation arguments.

Although petitioners' merits briefing is forthcoming, the public framing of the dispute suggests several doctrinal fault lines that frequently shape outcomes in CAA litigation. First, there is likely to be a threshold administrative-law question: whether EPA adequately explained its reversal of position and whether its interpretation can be reconciled with the CAA's statutory framework and the Supreme Court's *Massachusetts v. EPA* holding that greenhouse gases are "air pollutants" subject to regulation if endangerment is found. Second, the litigation will test how far EPA may rely on contemporary separation-of-powers doctrines – most prominently the "major questions doctrine" – to dismantle an existing regulatory framework rather than to justify expanding one. EPA has pointed to intervening Supreme Court decisions, including *West Virginia v. EPA* and *Loper Bright*, as informing its revised interpretation of Section 202(a). The court is expected to confront whether those precedents support EPA's narrowing construction of its own authority, or whether they instead constrain the agency's ability to depart from a longstanding regulatory scheme absent clear congressional direction.

For state law specifically, two preemption pressure points are likely to intensify regardless of how the federal litigation is resolved:

- **Mobile-Source Regulation:** The CAA has long imposed robust preemption over new motor vehicle emission standards, and EPA's post-repeal posture appears designed to reinforce those limits. Even as states pursue broader climate strategies, Section 209(a) bars states from adopting their own standards for new motor vehicles, and the California waiver framework remains narrowly circumscribed. As a result, even as states pursue broader climate strategies, independent efforts to regulate vehicle GHG emissions will face immediate statutory challenges. EPA's position is that the absence of federal regulation does not create space for state regulation, because Congress – not EPA – established the governing preemption.
- **Extraterritoriality:** State efforts that attempt to regulate emissions beyond their borders –whether through statutory schemes or common-law causes of action – are likewise likely to face renewed challenges. States may regulate in-state conduct, but they may not use climate policy to control conduct or emissions occurring entirely elsewhere. If federal standards weaken and states respond with more aggressive cross-border regulatory approaches, courts will be asked to police the line between permissible in-state regulation with incidental interstate effects and impermissible attempts to regulate out-of-state emissions.

Federal Retrenchment Is Not the Same as State-Law Nullification

A central practical consequence of the repeal is that it redirects climate policy pressure toward the states – albeit within significant statutory constraints that are likely to be tested in both litigation and future rulemakings. Even if federal regulation of GHG emissions recedes, state-level regulatory activity is likely to intensify. At the same time, EPA has taken the position that Section 209(a) of the CAA continues to preempt state standards governing emissions from new motor vehicles and engines, including standards aimed at GHG emissions, regardless of whether EPA itself maintains federal GHG limits. Under that view, federal retrenchment does not reopen the field to independent state regulation of new vehicles, and efforts to regulate out-of-state emissions would face additional constitutional and statutory constraints.

That posture sets up a familiar – but sharpened – federalism dynamic. Periods of federal deregulation often do not produce a regulatory vacuum; instead, they generate a patchwork in which some states seek to fill perceived gaps, while regulated entities press for national uniformity and assert preemption defenses. Importantly, because the pending litigation challenges the legality of EPA's rescission itself, the scope of state authority may ultimately turn on the outcome of that case. If the D.C. Circuit, and potentially the Supreme Court, upholds the repeal, state regulatory efforts may confront a more aggressive preemption framework. If the rescission rule is vacated, the prior federal structure, including the Endangerment Finding and vehicle GHG standards predicated upon it, would likely remain in place.

Practical Implications for the Automotive Industry

From a compliance and risk-management perspective, EPA's repeal of the 2009 Endangerment Finding – coupled with the immediate challenge in the D.C. Circuit – creates a period of meaningful legal uncertainty. Petitioners contend that the rescission violates the duty structure of the CAA once endangerment is found, while EPA maintains that Section 202(a) does not authorize motor vehicle GHG standards adopted for the purpose of addressing global climate change. That clash signals that regulated entities should prepare for a transitional environment: federal requirements may reduce in the near term, but state programs may become more active, and the durability of that relief depends on the outcome of litigation that could restore the prior framework.

For the automotive sector in particular, EPA's February 12, 2026, repeal of the 2009 Endangerment Finding represents a significant short-term reduction in federal GHG tailpipe obligations that have shaped vehicle design, testing, reporting, and fleet strategy for more than a decade. If the repeal remains in effect, manufacturers, suppliers, and fleet operators may face fewer federal constraints tied specifically to GHG emissions. However, because the rule is already under judicial review, companies must plan for the possibility that the federal regulatory architecture could be reinstated – whether through vacatur by the D.C. Circuit or through future rulemaking by a subsequent administration.

At the same time, the repeal is likely to accelerate a shift toward state-driven climate policy. Although federal GHG standards for new motor vehicles have been rescinded, the CAA's longstanding preemption of state tailpipe emission standards remains in place. States are therefore largely barred from directly imposing their own new motor vehicle emission standards outside the CAA's waiver framework. As a result, while states remain largely barred from directly regulating new motor vehicle emissions, they retain – and are likely to expand – their use of indirect regulatory tools, including energy policy, land use controls, procurement mandates, incentives, and consumer protection frameworks, to influence vehicle markets, fleet composition, and electrification strategies. Those efforts, in turn, are likely to generate renewed litigation over preemption, dormant Commerce Clause constraints, and the permissible scope of state authority.

Notably, the coalition challenging the repeal has framed regulatory stability itself as a business concern, arguing that dismantling a long-standing federal framework invites prolonged legal conflict and uncertainty. Companies with national footprints may therefore encounter competing pressures: on one hand, potential

federal relief from GHG tailpipe standards; on the other, increased jurisdictional variability as states experiment within the boundaries of federal preemption. In practical terms, automotive companies must assess whether and how to capitalize on near-term federal deregulation while managing the risk that federal standards could be revived and that state-level initiatives may proliferate. Product development timelines, capital allocation, supply-chain investments, and long-term electrification strategies will need to account for both litigation risk and a potentially more fragmented regulatory landscape. For companies with globally integrated operations, these challenges may be further magnified by divergent international regulatory regimes, compounding the risk of an increasingly fragmented compliance landscape.

How Baker Donelson Can Assist

The repeal of the 2009 Endangerment Finding is already producing significant legal and policy aftershocks. The pending petition for review in the D.C. Circuit squarely tees up a potentially pivotal dispute over the durability of federal authority under the CAA to regulate greenhouse gases – one that will also shape the scope of state regulatory authority and the future role of preemption in the GHG arena. In the interim, regulated entities should expect heightened uncertainty, a greater likelihood of state-by-state divergence, and increased litigation over the boundaries of federal and state power.

Baker Donelson's [Environmental Group](#) is prepared to help your organization navigate this evolving landscape. We advise on federal CAA compliance, state emissions programs, California waiver developments, preemption strategy, and risk management in light of ongoing litigation and potential regulatory reversals. If you have questions about how EPA's repeal or prospective judicial outcomes may affect your compliance obligations, product planning, or long-term climate strategy, our team is ready to assist.