

## MNI: Highlights from EPA Emissions Regulation Repeal

By Marshall Steeves, Erica Blake (February 17, 2026)

### Executive Summary

- The Trump Administration repealed the 2009 EPA Endangerment Finding which served as the foundation of emissions regulations on automobiles and the targets set for vehicle manufacturers.
- Without the repeal, the EPA standard risked displacing ~570 kb/d of gasoline demand per year that the new targets were in place.
- The Trump Administration believes this repeal will save consumers money and removes the ability for states like California to circumvent federal policy.
- The repeal is expected to face several legal challenges, potentially to the supreme court, before any final implementation is made.

### The Repeal

On February 12<sup>th</sup>, President Trump joined EPA Administrator Lee Zeldin to announce the *Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act*. The White House characterized the repeal as “the single largest deregulatory action in US history”. The 2009 policy followed [EPA findings](#) stating six specific greenhouse gases in the atmosphere threatened public health and welfare and that the cause was due to motor vehicles and motor vehicle engines. This finding allowed the EPA to regulate vehicle emissions and enforce vehicle exhaust and emissions requirements on auto manufacturers.

Prior to the repeal, the EPA emission policies were designed such that 68% of new car sales from 2027 forward would be electric sales by 2032. The Bureau of Transportation [reports](#) the average fuel efficiency of passenger vehicles was ~25 MPG and the Federal Highway Administration [states](#) the average miles driven per year is ~14,000 miles. These figures suggest the implied gasoline consumption per year per car is 560 gallons per year or 13 barrels per year. If new vehicle sales continued at a pace of 16 million units per year, the prior EPA policy could have displaced 570 kb/d of potential gasoline demand each year the policy was in place. Assuming auto manufacturers continue to make current vehicle designs rather than adjusting toward the no-longer-required standards, the repeal reduces the risk of displaced gasoline demand.

The repeal of the federal climate regulation will remove the requirements for automakers to implement tailpipe emissions standards, notwithstanding multiple state and regional rules including those imposed by California and other West Coast states. Historically, the Clean Air Act allowed California the ability to set its own, more strict regulations on emissions via an EPA waiver. Since California is the largest vehicle sales market, auto manufacturers designed vehicles to fit the California regulations even though they were stricter than what the federal government required. Last week’s repeal of the Endangerment Finding brings into question whether California still has legal authority to have a different emission standard.

[Full EPA News Release](#)

[Official Text of the EPA Rescission](#)

### The Trump Administration Position

Since 2009, the EPA relied on the Endangerment Finding to regulate power plants, vehicle manufacturers, and oil and gas operations. The EPA’s annual emissions report estimates transportation and power make up about half of US greenhouse gas emissions. In his first term, Trump’s EPA did not seek to overturn the endangerment finding amid opposition from industry groups and the view of then-EPA Acting General Counsel David Fotouhi that the disruption was too risky.

The administration claims substantial savings would be incurred because of this latest decision. EPA Administrator Zeldin said “The Endangerment Finding has been the source of 16 years of consumer choice restrictions and trillions of dollars in hidden costs for Americans. Referred to by some as the ‘Holy Grail’ of the ‘climate change religion,’ the Endangerment Finding is now eliminated. The Trump EPA is strictly following the letter of the law, returning commonsense to policy, delivering consumer choice to Americans and advancing the American Dream.”

The [EPA press release](#) further stated “The 2009 Endangerment Finding was used to justify trillions of dollars in regulations, including the Obama and Biden Administrations’ illegal push towards Electric Vehicle (EV) mandates and compliance requirements, while simultaneously driving up the cost of vehicles for American families and small businesses— limiting economic mobility and the American Dream. The final rule will save Americans over \$1.3 trillion by removing the regulatory requirements to measure, report, certify, and comply with federal GHG emission standards for motor vehicles, and repeals associated compliance programs, credit provisions, and reporting obligations that exist solely to support the vehicle GHG regulatory regime.”

EPA claims in its announcement that “as a result of these changes, engine and vehicle manufacturers no longer have any future obligations for the measurement, control, and reporting of GHG emissions for any highway engine and vehicle, including model years manufactured prior to this final rule. This final action is only related to GHG emissions and does not affect regulations on any traditional air pollutants. Rather, this action realigns EPA’s regulatory framework with the best reading of the CAA, which does not authorize EPA to regulate GHG emissions from new motor vehicles.”

### The Opposition Position

Despite the Administration’s optimism, the decision is expected to face many legal challenges. Ten lawyers and analysts interviewed by Reuters said companies face uncertainty from imminent court challenges and the possibility that a patchwork of state and regional emissions rules will replace one federal rule.

This risk goes back to the waiver California receives, allowing it to enforce stricter emissions standards than the federal government. California and 17 other states currently opt-in to California’s stricter standards instead of the federal standard. If there are different emissions standards across states, then the auto manufactures may face different regulatory requirements. However, they may continue to do as they do not which is to manufacture vehicles to the highest emissions standards and sell those across all markets.

Rob Bonta, attorney general for the state of California, is weighing a lawsuit and he said “This federal withdrawal will cause an unprecedented disruption to 15 years of regulatory progress, threatening public health, local communities, industries, natural resources, and public investments.” Matthew Leopold, an environmental attorney at Holland & Knight who had served as EPA general counsel during Trump’s first administration, said company strategies for adjusting to the repeal will depend on how quickly legal challenges reach and are resolved by the Supreme Court. He further states “While this initial rulemaking is focused on motor vehicle regulation, it will have ripple effects on other EPA programs as well. It’s the foundation of all EPA greenhouse gas regulation in all sectors.”

### The Industry Position

This move is supported by industry groups representing smaller oil and gas operators such as the Independent Petroleum Association of America and the Marcellus Shale Association, while environmental groups were highly critical. A few key comments from across industries since the repeal include:

- **Alliance for Automotive Innovation:** They did not endorse the Trump endangerment repeal but said “automotive emissions regulations finalized in the previous administration are extremely challenging for automakers to achieve given the current marketplace demand for EVs.”

- **American Petroleum Institute:** They stated it had not advocated for a repeal of the endangerment finding but supported the administration's action to end electric vehicle mandates for autos. API Senior Vice President of Policy and Regulatory Affairs Dustin Meyer said, "our focus now is working on durable policies that reduce emissions while meeting growing energy demand."
- **Global Energy Institute:** "While we did not call for the EPA to revisit and rescind the agency's 2009 Endangerment Finding, we are carefully reviewing the specifics of this final rule and will engage with our members to assess its implications and impacts over the long term," said Marty Durbin, President of the Global Energy Institute at the Chamber of Commerce.
- **Edison Electric Institute:** As representatives of US investor-owned utilities, EEI said "We are reviewing this new action and will continue to work with the Administration to strengthen grid reliability and lower energy costs for all customers." EEI had said last year that repealing the endangerment finding could open the door to a regional patchwork of regulation and legal action.