Rescinding the Endangerment Finding: What It Means for Business, Public Health, and the Future of Climate Risk

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Introduction

On July 29, 2025, the Trump administration's Environmental Protection Agency (EPA) announced its intention to rescind the 2009 "endangerment finding," a foundational ruling that has underpinned U.S. climate regulations for more than 15 years. This move—if finalized—would roll back the legal justification for regulating greenhouse gas (GHG) emissions under the Clean Air Act and potentially upend existing federal climate policy. While framed by the administration as a deregulatory action aimed at economic relief, its implications for business continuity, public health, and climate risk management are profound.[1,4]

What Is the Endangerment Finding?

The 2009 endangerment finding, based on decades of scientific research, concluded that six greenhouse gases, including carbon dioxide and methane, pose a threat to public health and welfare. It laid the groundwork for regulating emissions from automobiles, power plants, aircraft, and other major sectors of the economy. The Trump administration's proposal argues that the original finding was "unduly pessimistic" and asserts that GHG levels have had overstated impacts on warming and extreme weather events. It even suggests potential benefits of higher CO_2 levels, such as increased crop yields. [1]

Business Impacts: Uncertainty vs. Opportunity

While deregulation may appeal to some sectors in the short term—particularly fossil fuel producers and certain manufacturing segments—the long-term business implications are complex. Many companies, especially automakers and utilities, have already invested billions in emissions-reducing technologies to comply with prior rules. The EPA's own estimate is that these regulations have influenced over $1 trillion in industry compliance costs. [1]

Rescinding the endangerment finding could destabilize investment strategies, introduce regulatory uncertainty, and invite protracted legal battles. As noted in Harvard Business Review, businesses value regulatory consistency, particularly when planning for multi-year transitions like fleet electrification or energy sourcing. A whiplash policy environment risks stranded assets, lost innovation, and disrupted market planning. [2]

Moreover, companies that have aligned with global ESG trends may find themselves out of step with investor and customer expectations. According to McKinsey & Co., over 70% of institutional investors now consider climate risk a material financial factor. By weakening U.S. climate regulation, the proposed rollback could reduce investor confidence in American climate leadership and increase the cost of capital for U.S.-based firms. [3]

Public Health and Workforce Resilience

Public health impacts are inseparable from economic performance. The original finding linked greenhouse gas emissions to increased rates of heat-related illness, respiratory conditions, and extreme weather-related fatalities. The 2023 National Climate Assessment affirmed these links, citing rising global temperatures, increased frequency of droughts, and intensifying natural disasters.[1]

These health threats are also labor threats. As climate-related risks rise, worker productivity, absenteeism, and insurance costs all increase. A 2024 RAND Corporation study projected that unchecked warming could reduce U.S. labor productivity by up to 3% by 2050, particularly in sectors reliant on outdoor or physical labor.[5]

Strategic Risk in the Climate Economy

Perhaps most significantly, rescinding the endangerment finding undermines America's competitive positioning in the climate economy. The global race toward clean energy innovation, green manufacturing, and sustainable infrastructure is well underway. Businesses want predictability, not policy volatility. Without a clear regulatory framework, firms may hesitate to invest in U.S. clean technology or may shift R&D and capital elsewhere.

Jesse Keenan of Tulane University, one of the authors of the 2023 National Climate Assessment, warns that ignoring climate realities imposes "over a hundred billion dollars a year in losses on households, small businesses and shareholders".[1]

Conclusion: Navigating Forward

For business executives, this is not just a regulatory story—it's a strategic one. The proposed rollback creates new exposure to climate, legal, and reputational risks. Whether or not the proposal survives court challenges, the debate signals a volatile policy horizon.

Now more than ever, executive leadership must be proactive. Strategic workforce planning, risk management, and regulatory foresight are essential. LINKCO Executive Search stands ready to help organizations identify and recruit executive talent that can lead through these uncertainties. Whether you're navigating decarbonization, ESG integration, or resilience planning, LINKCO helps you build leadership teams prepared for tomorrow's risks—schedule some time to discuss talent opportunities.

References

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