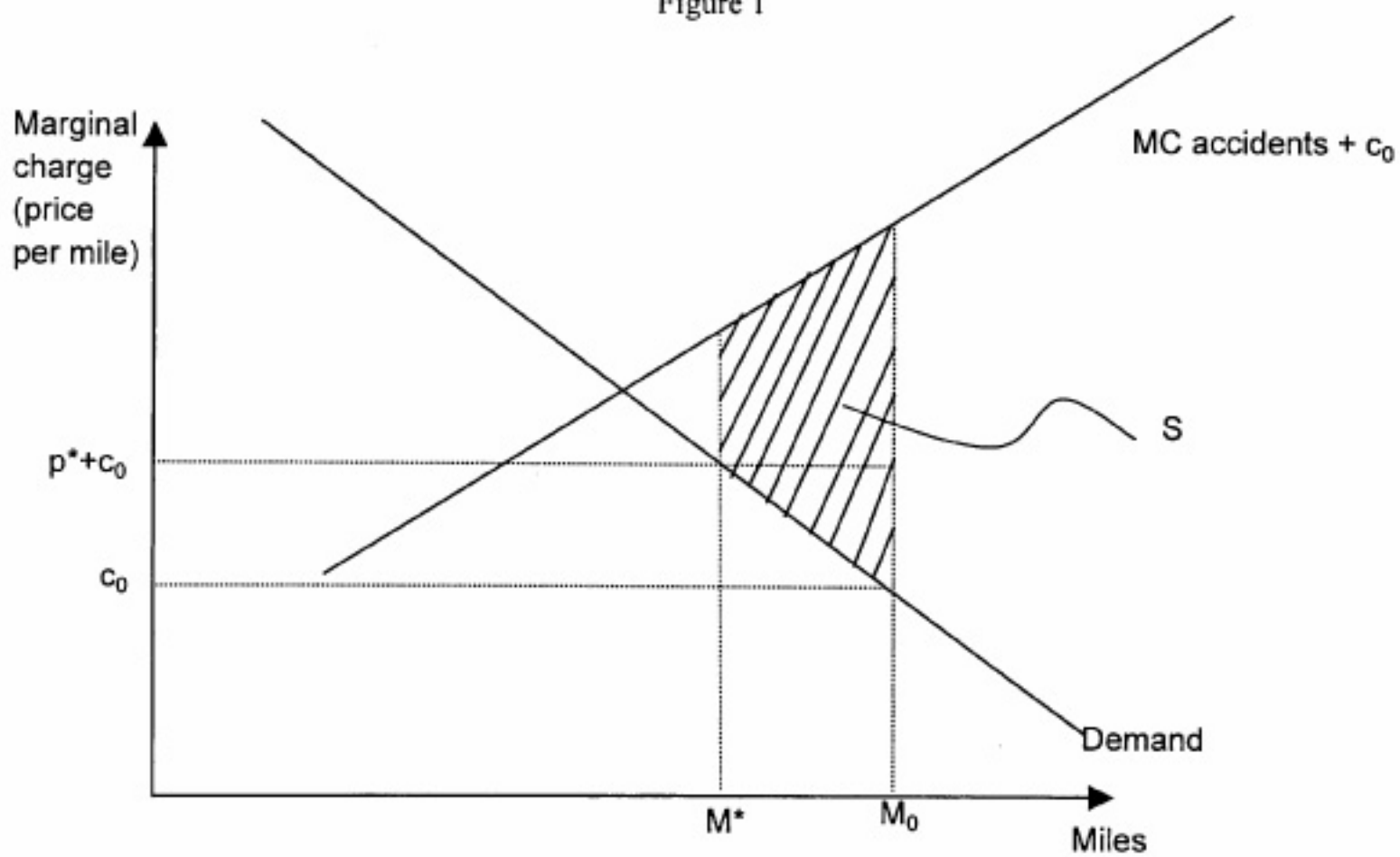


Figure 1



c_0 = non-accident cost of driving

Table 1
Estimates of Accident Function

Dependent Variable: Total State Auto Accident Premiums		Calibration Model	Regression Model (Standard Error in Parentheses)
Miles Coeff.	C_1	0.007	0.022 (0.002)
Miles*Density Coeff.	$C_2 \times 10^7$	1.129	0.536 (0.064)
			$R^2 =$ 0.59

Table 2
Insured Accident Cost

11/30/98 0:00

State	Vehicle Miles Traveled (billions per year)	Lane Miles	Avg. Cost per mile (cents)	Estimated Marginal Cost	
				Calibration Method (cents per mile)	Regression Method (cents per mile)
Alabama	51	193,000	2.4	4.3	3.3
Alaska	4	27,000	5.2	8.9	6.6
Arizona	40	117,000	4.4	8.2	6.4
Arkansas	27	156,000	3.0	5.2	3.9
California	276	381,000	4.1	7.8	6.6
Colorado	35	174,000	4.7	8.3	6.2
Connecticut	28	43,000	6.5	12.4	10.4
Delaware	8	12,000	4.9	9.3	7.8
Florida	128	244,000	4.3	8.2	6.7
Georgia	85	233,000	3.1	5.8	4.6
Hawaii	8	8,000	7.9	15.3	13.3
Idaho	12	121,000	2.4	3.9	2.9
Illinois	94	286,000	4.2	7.7	6.0
Indiana	65	191,000	3.0	5.6	4.4
Iowa	26	230,000	3.0	4.9	3.6
Kansas	25	271,000	3.1	5.0	3.7
Kentucky	41	151,000	3.3	6.1	4.6
Louisiana	39	126,000	4.4	8.2	6.3
Maine	13	46,000	3.0	5.5	4.2
Maryland	45	65,000	4.8	9.2	7.8
Massachusetts	48	65,000	6.7	12.9	11.0
Michigan	86	247,000	4.6	8.5	6.7
Minnesota	44	267,000	4.0	6.9	5.1
Mississippi	30	150,000	2.4	4.2	3.2
Missouri	59	250,000	3.0	5.4	4.1
Montana	9	141,000	2.6	4.0	3.0
Nebraska	16	187,000	3.0	4.8	3.5
Nevada	14	92,000	4.9	8.4	6.2
New Hampshire	11	31,000	4.3	8.0	6.3
New Jersey	61	76,000	7.7	14.8	12.7
New Mexico	21	127,000	2.9	5.0	3.7
New York	115	237,000	6.4	12.0	9.8
North Carolina	76	202,000	3.5	6.4	5.1
North Dakota	7	175,000	2.1	2.9	2.3
Ohio	101	241,000	3.6	6.8	5.4
Oklahoma	38	231,000	2.6	4.6	3.4
Oregon	30	171,000	3.8	6.7	5.0
Pennsylvania	95	247,000	5.2	9.7	7.7
Rhode Island	7	12,000	7.3	13.8	11.4
South Carolina	39	134,000	3.5	6.5	5.0
South Dakota	8	168,000	2.5	3.6	2.7
Tennessee	56	178,000	2.8	5.1	4.0
Texas	181	626,000	3.2	5.8	4.5
Utah	19	85,000	3.2	5.8	4.3
Vermont	6	29,000	3.2	5.7	4.3
Virginia	70	149,000	3.5	6.5	5.3
Washington	49	164,000	3.9	7.2	5.6
West Virginia	17	72,000	4.1	7.4	5.6
Wisconsin	51	228,000	3.0	5.3	4.0
Wyoming	7	73,000	1.8	3.0	2.2
National Model (aggregated)	2423	8,158,000	4.0	7.4	5.7

Table 3
Per Mile Premiums & Driving Reductions
(Not Adjusted for Uninsured Drivers)

Gas Elasticity 0.15

11/30/98 0:00

Model	A=c ₁ M		A=c ₁ M+c ₂ M ² /L		A=c ₁ M+c ₂ M ² /L	
	Linear Model		Calibration Model		Regression model	
	marginal charge (cents/mile)	VMT reduction	marginal charge (cents/mile)	VMT reductions	marginal charge (cents/mile)	VMT reductions
Alabama	2.4	6.0%	2.3	5.7%	2.3	5.9%
Alaska	5.2	12.0%	4.8	11.0%	5.0	11.6%
Arizona	4.4	10.6%	4.1	9.7%	4.2	10.1%
Arkansas	3.0	7.7%	2.8	7.3%	2.9	7.5%
California	4.1	9.8%	3.7	9.0%	3.8	9.2%
Colorado	4.7	11.2%	4.3	10.3%	4.5	10.8%
Connecticut	6.5	15.2%	5.7	13.4%	5.9	13.9%
Delaware	4.9	12.1%	4.4	10.9%	4.5	11.3%
Florida	4.3	11.1%	3.9	10.1%	4.1	10.4%
Georgia	3.1	8.4%	2.9	7.8%	3.0	8.0%
Hawaii	7.9	18.0%	6.8	15.4%	7.0	16.0%
Idaho	2.4	5.7%	2.3	5.5%	2.4	5.6%
Illinois	4.2	10.5%	3.8	9.6%	4.0	10.0%
Indiana	3.0	7.8%	2.8	7.3%	2.9	7.5%
Iowa	3.0	7.5%	2.8	7.2%	2.9	7.4%
Kansas	3.1	8.1%	3.0	7.7%	3.1	7.9%
Kentucky	3.3	8.5%	3.1	7.9%	3.2	8.2%
Louisiana	4.4	11.2%	4.1	10.2%	4.2	10.6%
Maine	3.0	7.4%	2.8	7.0%	2.9	7.2%
Maryland	4.8	11.8%	4.3	10.6%	4.5	11.0%
Massachusetts	6.7	16.4%	5.8	14.2%	6.1	14.8%
Michigan	4.6	12.0%	4.2	10.9%	4.4	11.4%
Minnesota	4.0	9.7%	3.7	9.1%	3.9	9.5%
Mississippi	2.4	6.0%	2.3	5.7%	2.3	5.9%
Missouri	3.0	7.8%	2.8	7.3%	2.9	7.6%
Montana	2.6	6.1%	2.5	6.0%	2.6	6.1%
Nebraska	3.0	7.5%	2.9	7.2%	3.0	7.4%
Nevada	4.9	11.5%	4.5	10.7%	4.7	11.2%
New Hampshire	4.3	10.6%	4.0	9.8%	4.1	10.2%
New Jersey	7.7	19.4%	6.5	16.4%	6.8	17.2%
New Mexico	2.9	7.0%	2.7	6.6%	2.8	6.9%
New York	6.4	15.6%	5.6	13.7%	5.9	14.4%
North Carolina	3.5	8.7%	3.2	8.1%	3.3	8.3%
North Dakota	2.1	5.1%	2.1	5.0%	2.1	5.1%
Ohio	3.6	9.1%	3.3	8.4%	3.5	8.7%
Oklahoma	2.6	6.8%	2.5	6.5%	2.6	6.7%
Oregon	3.8	9.0%	3.6	8.5%	3.7	8.8%
Pennsylvania	5.2	12.9%	4.7	11.6%	4.9	12.1%
Rhode Island	7.3	17.6%	6.3	15.2%	6.6	16.0%
South Carolina	3.5	9.2%	3.3	8.5%	3.4	8.8%
South Dakota	2.5	6.1%	2.4	6.0%	2.5	6.1%
Tennessee	2.8	7.0%	2.6	6.6%	2.7	6.8%
Texas	3.2	8.0%	3.0	7.5%	3.1	7.8%
Utah	3.2	7.7%	3.0	7.3%	3.1	7.5%
Vermont	3.2	7.9%	3.0	7.4%	3.1	7.7%
Virginia	3.5	8.7%	3.2	8.1%	3.3	8.3%
Washington	3.9	9.3%	3.6	8.6%	3.8	9.0%
West Virginia	4.1	10.3%	3.8	9.5%	4.0	10.0%
Wisconsin	3.0	7.4%	2.8	7.0%	2.9	7.2%
Wyoming	1.8	4.6%	1.8	4.4%	1.8	4.5%
U.S. Total (disaggregated sum)		10.0%		9.2%		9.5%
National Model (aggregated)	4.0	10.2%	3.7	9.4%	3.9	9.7%

Table 4
Accident Savings from Per Mile Premiums
(Net of Lost Driving Benefits)

Gas Elasticity 0.15

11/30/98 0:00

Model	$A=c_1M$		$A=c_1M+c_2M^2/L$		$A=c_1M+c_2M^2/L$	
	Linear Model		Calibration Model		Regression model	
	total	per insured vehicle	total	per insured vehicle	total	per insured vehicle
States	(dollars in millions)	\$	(dollars in millions)	\$	(dollars in millions)	\$
Alabama	36	14	89	34	63	24
Alaska	13	38	28	83	17	51
Arizona	93	33	223	79	157	56
Arkansas	31	16	70	38	48	26
California	548	34	1391	86	1111	68
Colorado	91	34	207	76	137	50
Connecticut	138	59	328	141	256	109
Delaware	22	43	54	106	44	85
Florida	306	36	752	88	615	72
Georgia	112	21	277	52	224	42
Hawaii	57	81	132	188	105	150
Idaho	8	11	18	23	11	14
Illinois	205	27	491	65	365	48
Indiana	75	18	187	45	142	34
Iowa	29	13	63	29	41	19
Kansas	32	15	66	31	44	21
Kentucky	58	21	140	50	102	37
Louisiana	96	39	227	92	167	68
Maine	14	15	34	37	24	26
Maryland	127	38	314	93	255	76
Massachusetts	263	66	622	155	511	128
Michigan	237	33	562	78	442	61
Minnesota	85	26	191	58	126	38
Mississippi	21	15	50	35	34	24
Missouri	69	19	166	45	121	33
Montana	8	11	15	22	9	13
Nebraska	18	13	36	27	23	17
Nevada	39	39	86	85	54	54
New Hampshire	24	28	59	68	43	50
New Jersey	453	86	1040	198	901	171
New Mexico	21	19	49	44	32	28
New York	574	60	1339	139	1045	109
North Carolina	114	19	282	48	211	36
North Dakota	4	7	6	13	4	8
Ohio	165	21	410	52	314	40
Oklahoma	35	15	80	34	56	24
Oregon	52	22	118	51	74	32
Pennsylvania	317	38	749	90	565	68
Rhode Island	44	68	101	157	80	124
South Carolina	63	23	151	56	113	42
South Dakota	6	10	10	18	7	12
Tennessee	55	16	136	39	99	28
Texas	230	24	559	59	409	43
Utah	23	18	55	43	36	28
Vermont	8	17	18	41	13	28
Virginia	105	21	264	54	206	42
Washington	90	27	216	64	148	44
West Virginia	37	29	86	68	61	48
Wisconsin	56	15	134	37	91	25
Wyoming	3	8	6	16	4	10
U.S. Total (disaggregated sum)	5310	31	12686	75	9762	58
National Model (aggregated)	4954	29	11813	70	8476	50

Table 5
Per Gallon Premiums & Driving Reductions
(Not Adjusted for Uninsured Drivers)

Gas Elasticity 0.15

11/30/98 0:00

Model States	$A=c_1M$		$A=c_1M+c_2M^2/L$		$A=c_1M+c_2M^2/L$	
	Linear Model		Calibration Model		Regression model	
	marginal charge (cents/gallon)	VMT reductions	marginal charge (cents/gallon)	VMT reductions	marginal charge (cents/gallon)	VMT reductions
Alabama	45	5.5%	41	5.1%	43	5.3%
Alaska	92	10.5%	82	9.2%	88	10.0%
Arizona	80	9.3%	70	8.2%	74	8.7%
Arkansas	55	6.9%	50	6.3%	53	6.7%
California	73	8.7%	64	7.6%	67	7.9%
Colorado	84	9.8%	74	8.7%	79	9.3%
Connecticut	113	13.0%	94	10.8%	99	11.4%
Delaware	87	10.6%	74	9.0%	78	9.5%
Florida	69	8.8%	61	7.7%	69	8.7%
Georgia	46	6.1%	43	5.7%	50	6.6%
Hawaii	117	13.0%	98	10.9%	111	12.4%
Idaho	40	4.6%	38	4.4%	43	4.9%
Illinois	64	7.8%	58	7.1%	68	8.4%
Indiana	46	5.8%	43	5.4%	49	6.2%
Iowa	43	5.3%	42	5.2%	51	6.3%
Kansas	47	5.9%	45	5.7%	54	6.8%
Kentucky	51	6.4%	48	6.0%	56	7.0%
Louisiana	71	8.7%	63	7.8%	72	8.9%
Maine	44	5.3%	42	5.0%	51	6.1%
Maryland	78	9.5%	68	8.2%	74	9.0%
Massachusetts	101	12.1%	85	10.2%	97	11.6%
Michigan	73	9.4%	64	8.3%	73	9.4%
Minnesota	65	7.8%	59	7.1%	66	7.9%
Mississippi	39	4.9%	37	4.6%	41	5.1%
Missouri	49	6.2%	45	5.7%	51	6.4%
Montana	41	4.8%	40	4.6%	46	5.3%
Nebraska	50	6.1%	47	5.8%	52	6.4%
Nevada	74	8.6%	68	7.8%	81	9.3%
New Hampshire	62	7.5%	57	6.9%	69	8.4%
New Jersey	110	13.7%	92	11.4%	106	13.2%
New Mexico	45	5.5%	43	5.1%	48	5.8%
New York	101	12.2%	86	10.3%	96	11.5%
North Carolina	56	6.9%	51	6.3%	57	7.0%
North Dakota	36	4.3%	35	4.2%	37	4.5%
Ohio	58	7.2%	53	6.5%	59	7.2%
Oklahoma	41	5.2%	39	4.9%	44	5.6%
Oregon	61	7.0%	56	6.5%	64	7.4%
Pennsylvania	72	8.8%	66	8.0%	80	9.8%
Rhode Island	113	13.4%	94	11.2%	106	12.5%
South Carolina	51	6.5%	48	6.1%	57	7.3%
South Dakota	40	4.9%	39	4.8%	44	5.3%
Tennessee	47	5.8%	43	5.4%	47	5.8%
Texas	50	6.3%	46	5.8%	53	6.6%
Utah	54	6.3%	50	5.8%	55	6.4%
Vermont	51	6.2%	47	5.7%	53	6.5%
Virginia	53	6.6%	49	6.0%	56	6.9%
Washington	56	6.5%	53	6.1%	63	7.4%
West Virginia	66	8.1%	59	7.3%	67	8.3%
Wisconsin	50	6.0%	46	5.6%	50	6.1%
Wyoming	31	3.7%	30	3.6%	33	4.0%
U.S. Total (disaggregated sum)		7.9%		7.0%		7.9%
National Model (aggregated)	64	8.0%	58	7.2%	65	8.1%

Table 6
Accident Savings from Per Gallon Premiums
(Net of Lost Driving Benefits)

Gas Elasticity 0.15

11/30/98 0:00

Model	A=c ₁ M		A=c ₁ M+c ₂ M ² /L		A=c ₁ M+c ₂ M ² /L	
	Linear Model		Calibration Model		Regression model	
	total	per insured vehicle	total	per insured vehicle	total	per insured vehicle
States	(dollars in millions)	\$	(dollars in millions)	\$	(dollars in millions)	\$
Alabama	34	13	81	31	57	22
Alaska	12	35	24	73	17	50
Arizona	86	30	196	69	147	52
Arkansas	28	15	63	34	43	23
California	507	31	1222	75	1019	63
Colorado	84	31	182	67	129	-47
Connecticut	127	54	280	120	235	101
Delaware	20	40	47	92	39	76
Florida	277	33	619	73	519	61
Georgia	99	19	219	41	178	34
Hawaii	50	71	103	147	95	136
Idaho	8	10	15	20	11	13
Illinois	183	24	395	52	319	42
Indiana	67	16	150	36	120	29
Iowa	25	12	50	23	36	17
Kansas	28	13	53	25	38	18
Kentucky	52	19	113	41	88	32
Louisiana	87	35	186	75	146	59
Maine	12	13	27	29	22	23
Maryland	115	34	259	77	223	66
Massachusetts	234	58	491	123	441	110
Michigan	214	30	460	64	367	51
Minnesota	77	24	160	49	114	35
Mississippi	19	13	43	29	30	21
Missouri	63	17	138	38	103	28
Montana	7	10	12	19	9	13
Nebraska	16	12	31	23	21	16
Nevada	35	35	69	69	51	51
New Hampshire	21	25	46	53	38	44
New Jersey	396	75	803	153	740	141
New Mexico	19	17	40	36	29	26
New York	518	54	1090	114	913	95
North Carolina	104	18	234	40	186	32
North Dakota	3	7	5	11	4	8
Ohio	150	19	338	43	272	34
Oklahoma	31	13	65	28	47	20
Oregon	47	20	97	42	71	30
Pennsylvania	273	33	573	69	491	59
Rhode Island	40	61	82	126	70	108
South Carolina	55	20	118	44	95	35
South Dakota	5	9	9	16	6	11
Tennessee	50	14	116	33	87	25
Texas	208	22	461	49	356	38
Utah	21	17	47	37	34	27
Vermont	7	16	15	34	11	25
Virginia	94	19	213	43	178	36
Washington	78	23	169	50	137	41
West Virginia	33	26	71	56	54	42
Wisconsin	51	14	113	31	82	23
Wyoming	3	7	5	14	4	9
U.S. Total (disaggregated sum)	4776	28	10402	61	8520	50
National Model (aggregated)	4480	26	9727	58	7526	44

Table 7
Optimal Premiums & Driving Reductions
(Not Adjusted for Uninsured Drivers)

Gas Elasticity 0.15

11/30/98 0:00

Model States	$A=c_1M$		$A=c_1M+c_2M^2/L$		$A=c_1M+c_2M^2/L$	
	Linear Model		Calibration Model		Regression model	
	marginal charge (cents/mile)	VMT reductions	marginal charge (cents/mile)	VMT reductions	marginal charge (cents/mile)	VMT reductions
Alabama	2.4	6.0%	3.9	9.9%	3.2	8.0%
Alaska	5.2	12.0%	7.6	17.6%	6.2	14.3%
Arizona	4.4	10.6%	7.0	16.6%	5.9	14.0%
Arkansas	3.0	7.7%	4.7	12.0%	3.7	9.5%
California	4.1	9.8%	6.6	16.0%	5.9	14.2%
Colorado	4.7	11.2%	7.0	16.9%	5.8	13.8%
Connecticut	6.5	15.2%	9.7	22.8%	8.8	20.6%
Delaware	4.9	12.1%	7.6	18.9%	6.8	16.9%
Florida	4.3	11.1%	6.8	17.5%	6.0	15.4%
Georgia	3.1	8.4%	5.1	13.6%	4.3	11.4%
Hawaii	7.9	18.0%	11.5	26.1%	10.7	24.3%
Idaho	2.4	5.7%	3.7	8.7%	2.8	6.7%
Illinois	4.2	10.5%	6.5	16.4%	5.5	13.8%
Indiana	3.0	7.8%	4.9	12.7%	4.1	10.5%
Iowa	3.0	7.5%	4.5	11.3%	3.5	8.8%
Kansas	3.1	8.1%	4.6	11.8%	3.6	9.3%
Kentucky	3.3	8.5%	5.3	13.6%	4.4	11.1%
Louisiana	4.4	11.2%	6.9	17.3%	5.8	14.5%
Maine	3.0	7.4%	4.9	12.0%	4.0	9.8%
Maryland	4.8	11.8%	7.6	18.6%	6.8	16.7%
Massachusetts	6.7	16.4%	9.9	24.2%	9.1	22.2%
Michigan	4.6	12.0%	7.1	18.5%	6.0	15.7%
Minnesota	4.0	9.7%	6.0	14.8%	4.8	11.8%
Mississippi	2.4	6.0%	3.9	9.7%	3.0	7.6%
Missouri	3.0	7.8%	4.8	12.4%	3.9	10.0%
Montana	2.6	6.1%	3.7	8.8%	2.9	6.9%
Nebraska	3.0	7.5%	4.4	10.9%	3.4	8.5%
Nevada	4.9	11.5%	7.2	17.0%	5.8	13.8%
New Hampshire	4.3	10.6%	6.8	16.7%	5.7	14.1%
New Jersey	7.7	19.4%	10.9	27.5%	10.1	25.6%
New Mexico	2.9	7.0%	4.5	11.0%	3.5	8.6%
New York	6.4	15.6%	9.4	23.1%	8.4	20.6%
North Carolina	3.5	8.7%	5.6	14.0%	4.7	11.8%
North Dakota	2.1	5.1%	2.8	6.8%	2.2	5.5%
Ohio	3.6	9.1%	5.8	14.7%	5.0	12.5%
Oklahoma	2.6	6.8%	4.1	10.8%	3.3	8.5%
Oregon	3.8	9.0%	5.9	13.9%	4.7	11.1%
Pennsylvania	5.2	12.9%	7.9	19.7%	6.8	17.0%
Rhode Island	7.3	17.6%	10.5	25.4%	9.5	23.0%
South Carolina	3.5	9.2%	5.6	14.5%	4.6	12.0%
South Dakota	2.5	6.1%	3.4	8.3%	2.7	6.6%
Tennessee	2.8	7.0%	4.6	11.6%	3.7	9.5%
Texas	3.2	8.0%	5.1	13.0%	4.2	10.6%
Utah	3.2	7.7%	5.1	12.3%	4.1	9.8%
Vermont	3.2	7.9%	5.0	12.5%	4.0	10.0%
Virginia	3.5	8.7%	5.7	14.3%	4.8	12.2%
Washington	3.9	9.3%	6.2	14.8%	5.1	12.3%
West Virginia	4.1	10.3%	6.4	16.0%	5.2	13.1%
Wisconsin	3.0	7.4%	4.8	11.8%	3.8	9.4%
Wyoming	1.8	4.6%	2.8	7.0%	2.1	5.3%
U.S. Total (disaggregated sum)		10.0%		15.7%		13.4%
National Model (aggregated)	4.0	10.2%	6.3	15.9%	5.3	13.3%

Table 8
Accident Savings from Optimal Premiums
(Net of Lost Driving Benefits)

Gas Elasticity 0.15

11/30/98 0:00

Model	$A=c_1M$		$A=c_1M+c_2M^2/L$		$A=c_1M+c_2M^2/L$	
	Linear Model		Calibration Model		Regression model	
	total (dollars in millions)	per insured vehicle \$	total (dollars in millions)	per insured vehicle \$	total (dollars in millions)	per insured vehicle \$
Alabama	36	14	109	42	67	26
Alaska	13	38	32	96	19	58
Arizona	93	33	269	95	178	63
Arkansas	31	16	83	45	49	26
California	548	34	1719	106	1305	80
Colorado	91	34	244	90	150	55
Connecticut	138	59	396	170	301	129
Delaware	22	43	66	129	49	96
Florida	306	36	918	108	659	78
Georgia	112	21	338	64	223	42
Hawaii	57	81	159	226	129	183
Idaho	8	11	21	27	12	15
Illinois	205	27	593	79	390	52
Indiana	75	18	228	55	148	36
Iowa	29	13	72	33	42	19
Kansas	32	15	75	35	43	20
Kentucky	58	21	169	61	106	38
Louisiana	96	39	272	110	177	72
Maine	14	15	42	45	26	28
Maryland	127	38	384	114	292	87
Massachusetts	263	66	749	187	585	146
Michigan	237	33	676	94	452	63
Minnesota	85	26	224	68	133	41
Mississippi	21	15	61	42	36	24
Missouri	69	19	199	54	122	33
Montana	8	11	16	25	10	15
Nebraska	18	13	41	30	24	18
Nevada	39	39	100	99	60	59
New Hampshire	24	28	71	82	47	54
New Jersey	453	86	1241	236	991	189
New Mexico	21	19	58	52	34	30
New York	574	60	1604	167	1162	121
North Carolina	114	19	344	59	229	39
North Dakota	4	7	6	14	4	9
Ohio	165	21	501	63	341	43
Oklahoma	35	15	95	40	55	23
Oregon	52	22	139	60	83	36
Pennsylvania	317	38	900	108	616	74
Rhode Island	44	68	121	188	90	140
South Carolina	63	23	182	67	116	43
South Dakota	6	10	11	20	7	12
Tennessee	55	16	166	47	106	30
Texas	230	24	678	72	429	45
Utah	23	18	66	52	40	31
Vermont	8	17	22	49	13	29
Virginia	105	21	325	66	226	46
Washington	90	27	261	77	168	50
West Virginia	37	29	103	81	64	50
Wisconsin	56	15	161	44	97	27
Wyoming	3	8	7	19	4	10
U.S. Total (disaggregated sum)	5310	31	15319	91	10707	63
National Model (aggregated)	4936	29	14174	84	9131	54

Table 8.5
Net Accident Savings
(billions of dollars)

11/30/98 14:31

	Linear Model	Calibration Model	Regression Model
Per Mile	5.3	12.7	9.8
Per Gallon	4.8	10.4	8.5
Optimal	5.3	15.3	10.7

Gas Elasticity:
0.15

Table 9
Congestion Reduction (External)
(billions of dollars)

11/30/98 14:31

	Linear Model	Calibration Model	Regression Model
Per Mile	6.0	5.5	5.7
Per Gallon	4.7	4.2	4.7
Optimal	6.0	9.4	8.0

Note: Assumed Total Congestion Cost:
60 billion dollars

Gas Elasticity:
0.15

Table 10

Monetized Fatality Reduction (External) (billions of dollars)

11/30/98 14:31

	Linear Model	Calibration Model	Regression Model
Per Mile	6.8	11.1	9.3
Per Gallon	5.4	8.6	7.8
Optimal	6.8	18.3	12.9

Note: Gas Elasticity:
0.15

Value Per Life Uncompensated
by Auto Insurance:
4.5 million dollars

