1. What is the main point of the article?
2. What is the main result of the article?
3. The authors used data from several years. What are those years?
4. The authors frame the introduction such that the reader is led to believe that there is a positive relationship between congestion and accidents; however, the authors also mention that there are other feasible relationships between congestion and accidents. What is the alternative relationship that the authors explain?
5. Referring to the question above, do the authors find evidence for the alternative explanation? Explain.
6. Does the study focus on all the externalities of driving? Explain.
7. The authors say that their “panel” data set is better than the “cross-sectional” data sets used by previous authors. What is a cross-sectional data set? What is a panel data set?
8. The authors don’t actually have data on accident costs, what two measures do they used instead?
9. What is the stated advantage of lost cost data over average state insurance rates?
10. What is the stated advantage of premium and insurer cost data over crash data?
11. What percent of accident fatalities are alcohol related?
12. According to the paper, which is greater, external marginal costs in high-traffic density states, or insurance costs in high-traffic density states?
13. According to the paper, which is greater, external marginal costs in high-traffic density states, or gasoline expenditures in high-traffic density states?
14. If society does not charge for accident externalities, how will actual driving levels compare to optimal levels?
15. The authors recommended solution is a “substantial Pigouvian charge.” What is a Pigouvian charge?
16. How would the Pigouvian revenues compare to other state revenues? Give an example.
17. According to the authors, what is the most administratively expedient way to implement a Pigouvian Tax?
18. What is the stated advantage of an insurance tax over a gas tax?
19. Additional taxes might be politically unfeasible, what do the authors recommend instead?
20. According to the authors, why wouldn’t insurers be favorable to per mile premium policies?