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Optimal Drunk Driving Penalty Structure

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Abstract:

The expected penalty for drunk driving can and does vary by blood alcohol content. This paper outlines the "penalty structure" that does this optimally, using two different metrics, shows how the optimality conditions can be implemented with available data to analyze policy ex ante or ex post, and then uses these findings to investigate four fundamental features of current U.S. drunk driving policy. The paper provides theoretical and empirical support for large penalties at very high alcohol concentrations, but not for reductions in per se blood alcohol thresholds, the most significant recent change in drunk driving policy.