Policy Analysis

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Speed Doesn't Kill
The Repeal of the 55-MPH Speed Limit

by Stephen Moore

Executive Summary

In 1995 the Republican Congress repealed the 55-mile-per-hour federal speed limit law. At the time, the highway safety lobby and consumer advocacy groups made apocalyptic predictions about 6,400 increased deaths and a million additional injuries if posted speed limits were raised. Ralph Nader even said that "history will never forgive Congress for this assault on the sanctity of human life."

But almost all measures of highway safety show improvement, not more deaths and injuries since 1995. Despite the fact that 33 states raised their speed limits immediately after the repeal of the mandatory federal speed limit, the National Highway Traffic Safety Administration reported last October that "the traffic death rate dropped to a record low level in 1997." Moreover, the average fatality rate even fell in the states that raised their speed limits.

Higher speed limits have not caused one million more auto injuries. In fact, in 1997 there were 66,000 *fewer* road injuries than in 1995, the year before the speed limits were raised. The injury rate per 100 million vehicle miles traveled fell to its lowest level ever recorded in 1997. If the injury rate on the roads had been as high in 1997 as it had been in 1995, approximately 17,000 more Americans would have been injured on the roads.

All of the evidence thus far indicates that Americans have not responded to higher speed limits by converting the highways into stretches of the Indianapolis 500. Any loss of life has been very minimal—and at most a tiny fraction of what had been predicted by the safety lobby. Meanwhile, Americans have saved some 200 million manhours in terms of less time spent on the road. The net economic benefit of raising the speed limit has been between $2 and $3 billion a year.

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Introduction

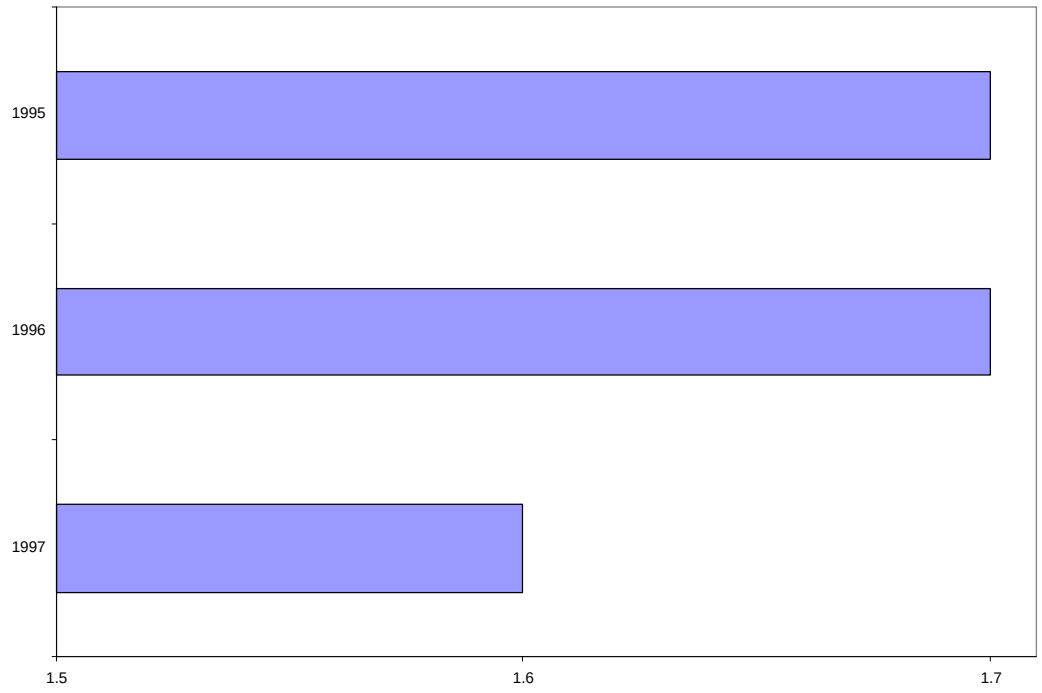
One of the Republican Congress's first and most popular initiatives back in 1995 was to repeal the 55-mile-per-hour speed limit. At the time, the highway safety lobby made apocalyptic predictions about increased death and carnage on the roads if posted speed limits were raised. On the *Today* show, Judith Stone, president of the Advocates for Highway and Auto Safety, predicted "6,400 added highway fatalities a year and millions of more injuries."[1] Federico Pena, then Secretary of Transportation, emphatically declared: "Allowing speed limits to rise above 55 simply means that more Americans will die and be injured on our highways."[2]

We now have two years of data on higher state speed limits to assess the validity of these claims. The evidence for 1996 and 1997 indicates that almost all of the predictions of increased deaths and injuries have been discredited. Although 33 states raised their speed limits between the 1995 repeal of the mandatory federal speed limit and August 1996, the National Highway Traffic Safety Administration reported last October that "the traffic death rate dropped to a record low level in 1997 (1.6 deaths per 100 million vehicle miles traveled)."[3] (See Figure 1.) Transportation Secretary Rodney Slater called 1997 "one of the safest years on American roads in U.S. history."[4]

It is true that the 41,967 deaths on the nation's highways in 1997 were more than the 41,817 deaths in 1995 the year before the speed limits were raised. But the relevant figure is the *rate*—deaths per 100 million vehicle miles—and that rate fell. Moreover, even if every one of the 150 additional deaths was attributable to higher speed limits—which is highly improbable—this number is 98 percent below the 6,400 additional deaths predicted by the Advocates for Highway and Auto Safety.[5]

The primary reason that the total number of deaths on the highway rose was that more people were driving and greater distances were

Figure 1
Fatality Rate per 100 Million Vehicle Miles Traveled



Source: National Highway Traffic Safety Administration.

Table 1
Deaths, Injuries, and Crashes

Highway Fatalities

Year	Rate*	Total Fatalities
1995	1.73	41,817
1996	1.69	42,065
1997	1.64	41,967

* - per 100 million vehicle miles traveled

Injuries

Year	Rate*	Total Injuries**
1995	143	3,465
1996	141	3,511
1997	133	3,399

* - per 100 million vehicle miles traveled
** - in thousands

Pedestrian Deaths

Year	Total
1995	5,584
1996	5,449
1997	5,307

Automobile Crashes

Year	Rate*	Total**
1995	276	6,699
1996	275	6,842
1997	264	6,764

* - per 100 million vehicle miles traveled
** - in thousands

Source: National Highway Traffic Safety Administration.

being traveled. If the fatality rate per the 2.56 trillion miles traveled had simply remained as high in 1997 as it had been *before* raising the speed limits, the result would have been almost 2,000 more deaths on the nation's highways this year.[6]

The news on vehicle injuries since raising the speed limit is even more encouraging. In 1997 there were 3,399,000 injuries in car accidents, *down* 66,000 from the 3,465,000 injuries in 1995, the year before the speed limits were raised.[7] The injury rate per 100 million vehicle miles traveled fell from 143 in 1995 to 141 in 1996 to 133 in 1997.[8] That is the lowest injury rate ever recorded. If the injury rate on the roads had been as high in 1997 as it had been in 1995, 17,000 more motorists would have been injured on the roads.[9] (See Table 1.)

Some attribute the decline in injuries and fatalities to air bags, increased use of seatbelts, better roads, and safer cars. Advocates of the mandatory limit argue that if the 55-mph limit had remained in place, then even fewer deaths would have occurred. One way to control for other safety factors is to examine the number of crashes. That number rose by 65,000 between 1995 and 1997, but as a percentage of miles traveled, crashes fell.[10] (See Table 1.)

Also, fewer pedestrians were killed in 1997 than in 1995, suggesting that today's drivers are not more prone to drive dangerously than they were before the speed limit was raised.[11] (See Table 1.)

The ratio of lower deaths to higher speed limits is not an anomaly. After the federal government allowed states to raise the speed limit above 55 mph on certain interstate roads in 1986, fatalities and injuries also fell as a percentage of miles traveled. The fatality rate fell from 2.5 to 2.1 between 1985 and 1990.[12]

What is even more impressive in the recent highway safety data is that the states that raised their speed limits in 1995 or 1996 did not have a large increase in fatalities compared with the states that did not raise their speed limits. (See Table 2.) For example, in the 33 states that raised their speed limits through the first half of 1996, total fatalities were up just 0.4 percent, the same increase as for the nation as a whole. On a per-mile-traveled basis, the states that did not raise their speed limits had slightly lower fatalities, the difference being only -6.3 percent versus -5.6 percent (See Table 3.)

The automobile insurance industry has waged an ongoing public relations campaign against higher speed limits. Specifically, the Insurance Institute for Highway Safety (IIHS) has released two well-publicized studies, the latest in December of 1998, that suggested a 15 percent increase in deaths on roads with

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Table 2
Total Fatalities

States That Raised Speed Limits between December 1995 and February 1996
Total Number of Fatalities

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Arizona	1,035	994	951	-4.0%	-4.3%	-8.1%
California	4,192	3,989	3,688	-4.8%	-7.5%	-12.0%
Delaware	121	116	143	-4.1%	23.3%	18.2%
Illinois	1,586	1,477	1,395	-6.9%	-5.6%	-12.0%
Massachusetts	444	417	442	-6.1%	6.0%	-0.5%
Montana	215	200	265	-7.0%	32.5%	23.3%
Nevada	313	348	347	11.2%	-0.3%	10.9%
Oklahoma	669	772	838	15.4%	8.5%	25.3%
Pennsylvania	1,480	1,469	1,557	-0.74%	6.0%	5.2%
Texas	3,183	3,742	3,510	17.6%	-6.2%	10.3%
Wyoming	170	143	137	-15.9%	-4.2%	-19.4%
Total	**13,408**	**13,667**	**13,273**	**1.9%**	**-2.9%**	**-1.0%**

States That Raised Speed Limits between March 1996 and August 1996
Total Number of Fatalities

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alabama	1,114	1,146	1,189	2.9%	3.8%	6.7%
Arkansas	631	615	660	-2.5%	7.3%	4.6%
Colorado	645	617	613	-4.3%	-0.65%	-5.0%
Florida	2,805	2,753	2,782	-1.9%	1.1%	-0.8%
Georgia	1,488	1,573	1,577	5.7%	0.25%	6.0%
Idaho	262	258	259	-1.5%	0%	-1.1%
Iowa	527	465	468	-11.8%	0.65%	-11.2%
Kansas	442	490	481	10.9%	-1.8%	8.8%
Maryland	671	608	608	-9.4%	0%	-9.4%
Michigan	1,530	1,505	1,446	-1.6%	-3.9%	-5.5%
Mississippi	868	811	861	-6.6%	6.2%	-0.8%
Missouri	1,109	1,148	1,192	3.5%	3.8%	7.5%
Nebraska	254	293	302	15.4%	3.1%	18.9%
New Mexico	485	485	484	0%	-0.21%	-0.2%
North Carolina	1,448	1,494	1,483	3.2%	-0.74%	2.4%
North Dakota	74	85	105	14.9%	23.53%	41.9%
Ohio	1,360	1,391	1,441	2.3%	3.6%	6.0%
Rhode Island	69	69	75	0%	8.7%	8.7%
South Dakota	158	175	148	10.8%	-15.4%	-6.3%
Tennessee	1,259	1,239	1,223	-1.6%	-1.3%	-2.9%
Utah	325	321	366	-1.2%	14.0%	12.6%
Washington	653	712	676	9.0%	-5.1%	3.5%
Total	**18,177**	**18,253**	**18,439**	**0.4%**	**1.0%**	**1.4%**

Grand Total of All States That Raised Speed Limits before August 1996

	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Grand Total	**31,585**	**31,920**	**31,712**	**1.1%**	**-0.7%**	**0.4%**

States That Did Not Raise Speed Limits after Congressional Action
Total Number of Fatalities

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alaska	87	81	77	-6.9%	-4.9%	-11.5%
Connecticut	317	310	338	-2.2%	9.0%	6.6%
Hawaii	130	148	131	13.8%	-11.5%	0.8%
Indiana	960	984	935	2.5%	-5.0%	-2.6%
Kentucky	849	842	857	-0.8%	1.8%	0.9%
Lousiana	894	902	913	0.9%	1.2%	2.1%
Maine	187	169	192	-9.6%	13.6%	2.7%
Minnesota	597	576	600	-3.5%	4.2%	0.5%
New Hampshire	118	134	125	13.6%	-6.7%	5.9%
New Jersey	774	814	774	5.2%	-4.9%	0.0%
New York	1,679	1,593	1,643	-5.1%	3.1%	-2.1%
Oregon	574	526	523	-8.4%	-0.6%	-8.9%
South Carolina	881	930	903	5.6%	-2.9%	2.5%
Vermont	106	88	96	-17.0%	9.1%	-9.4%
Virginia	900	877	984	-2.6%	12.2%	9.3%
West Virginia	377	348	379	-7.7%	8.9%	0.5%
Wisconsin	745	761	725	2.1%	-4.7%	-2.7%
Total	**10,175**	**10,083**	**10,195**	**-0.9%**	**1.1%**	**0.2%**

Source: National Highway Traffic Safety Administration.

Table 3
Fatality Rates

States That Raised Speed Limits between December 1995 and February 1996
Fatality Rates per 100 Million Vehicle Miles Traveled

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Arizona	2.6	2.4	2.2	-7.7%	-8.3%	-15.4%
California	1.5	1.4	1.3	-6.7%	-7.1%	-13.3%
Delaware	1.6	1.5	1.8	-6.3%	20.0%	12.5%
Illinois	1.7	1.5	1.4	-11.8%	-6.7%	-17.6%
Massachusetts	0.9	0.8	0.9	-11.1%	12.5%	0.0%
Montana	2.3	2.1	2.8	-8.7%	33.3%	21.7%
Nevada	2.2	2.5	2.1	13.6%	-16.0%	-4.5%
Oklahoma	1.7	2	2	17.6%	0.0%	17.6%
Pennsylvania	1.6	1.5	1.6	-6.3%	6.7%	0.0%
Texas	1.8	2	1.8	11.1%	-10.0%	0.0%
Wyoming	2.4	1.9	1.8	-20.8%	-5.3%	-25.0%
Total	**1.7**	**1.6**	**1.5**	**-5.9%**	**-6.3%**	**-11.8%**

States that Raised Speed Limits Between March 1996 and August 1996
Fatality Rates per 100 Million Vehicle Miles Traveled

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alabama	2.2	2.2	2.2	0.0%	0.0%	0.0%
Arkansas	2.4	2.2	2.3	-8.3%	4.5%	-4.2%
Colorado	1.8	1.7	1.6	-5.6%	-5.9%	-11.1%
Florida	2.2	2.1	2.1	-4.5%	0.0%	-4.5%
Georgia	1.7	1.8	1.7	5.9%	-5.6%	0.0%
Idaho	2.1	2	2	-4.8%	0.0%	-4.8%
Iowa	2	1.7	1.7	-15.0%	0.0%	-15.0%
Kansas	1.8	1.9	1.8	5.6%	-5.3%	0.0%
Maryland	1.5	1.3	1.3	-13.3%	0.0%	-13.3%
Michigan	1.8	1.7	1.6	-5.6%	-5.9%	-11.1%
Mississippi	2.9	2.7	2.7	-6.9%	0.0%	-6.9%
Missouri	1.9	1.9	1.9	0.0%	0.0%	0.0%
Nebraska	1.6	1.8	1.8	12.5%	0.0%	12.5%
New Mexico	2.3	2.2	2.2	-4.3%	0.0%	-4.3%
North Carolina	1.9	1.9	1.8	0.0%	-5.3%	-5.3%
North Dakota	1.1	1.3	1.5	18.2%	15.4%	36.4%
Ohio	1.4	1.4	1.4	0.0%	0.0%	0.0%
Rhode Island	1	1	1.1	0.0%	10.0%	10.0%
South Dakota	2.1	2.2	1.9	4.8%	-13.6%	-9.5%
Tennessee	2.2	2.1	2	-4.5%	-4.8%	-9.1%
Utah	1.7	1.6	1.8	-5.9%	12.5%	5.9%
Washington	1.3	1.4	1.3	7.7%	-7.1%	0.0%
Total	**1.9**	**1.8**	**1.8**	**-5.3%**	**0.0%**	**-5.3%**

Grand Total of All States that Raised Speed Limits before August 1996

	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Grand Total	**1.8**	**1.7**	**1.7**	**-5.6%**	**0.0%**	**-5.6%**

States that Did Not Raise Speed Limits after Congressional Action in 1995
Fatality Rates per 100 Million Vehicle Miles Traveled

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alaska	2.1	1.9	1.8	-9.5%	-5.3%	-14.3%
Connecticut	1.1	1.1	1.2	0.0%	9.1%	9.1%
Hawaii	1.6	1.8	1.6	12.5%	-11.1%	0.0%
Indiana	1.5	1.5	1.4	0.0%	-6.7%	-6.7%
Kentucky	2.1	2	1.9	-4.8%	-5.0%	-9.5%
Lousiana	2.3	2.1	2.4	-8.7%	14.3%	4.3%
Maine	1.5	1.3	1.4	-13.3%	7.7%	-6.7%
Minnesota	1.4	1.3	1.2	-7.1%	-7.7%	-14.3%
New Hampshire	1.1	1.2	1.1	9.1%	-8.3%	0.0%
New Jersey	1.3	1.3	1.2	0.0%	-7.7%	-7.7%
New York	1.5	1.3	1.4	-13.3%	7.7%	-6.7%
Oregon	1.9	1.7	1.6	-10.5%	-5.9%	-15.8%
South Carolina	2.3	2.3	2.2	0.0%	-4.3%	-4.3%
Vermont	1.7	1.4	1.5	-17.6%	7.1%	-11.8%
Virginia	1.3	1.2	1.4	-7.7%	16.7%	7.7%
West Virginia	2.2	1.9	2.1	-13.6%	10.5%	-4.5%
Wisconsin	1.4	1.9	1.3	35.7%	-31.6%	-7.1%
Total	**1.6**	**1.5**	**1.5**	**-6.3%**	**0.0%**	**-6.3%**

Source: National Highway Traffic Safety Administration.

higher speed limits.[13] One of the most serious of a series of methodological flaws in the IIHS studies is IIHS's examining only a sample of the states that raised speed limits, rather than examining *all* of the states with higher speed limits. Using the methodology of computing the rate of change of fatalities on all roads in the IIHS sample of states, we found that the fatality rates were only 1.5 percent higher in the states that increased the speed limit, not 15 percent higher. The more important measure of the fatality rate actually *fell* in the states with the higher speed limits.[14] One year after the IIHS 1997 report was released, 8 of the 12 states with higher speed limits in its analysis had a *decline* in traffic fatalities.

The automobile insurance industry argued that higher speeds would lead to more accidents and thus higher auto insurance rates for drivers. Yet during 1997 and 1998 auto claims and auto insurance premiums have dramatically *declined*—reversing a decade of higher costs. Collision claims were down 3.1 percent in 1997 and bodily injury claims fell by a huge 4.7 percent.[15] In June of 1998 State Farm Insurance announced that it was offering rebates of $900 million to policyholders because of the decline in claims and costs.[16] This news completely contradicted the gloomy scenarios laid out by the insurance industry lobby in Washington before the speed limits were raised.

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It is true that on some unsafe roads in some areas of the country, higher speed limits have been associated with more deaths and injuries. Texas, for example, raised the speed limit above 55 on 59,000 miles of noninterstate roads, including thousands of miles of narrow, undivided two-lane roads. The number of crashes soared by 45 percent when the higher limits were put into effect.[17] But such cases are isolated and argue for lowering speed limits on selected roads—not for lowering speed limits nationwide, as the Nader groups and the insurance industry propose. On interstates and low-congestion, state-maintained highways, there is little doubt that higher speed limits can be implemented without loss of life.

In sum, all of the evidence thus far indicates that repealing the federal speed limit has caused minimal, if any, loss of life. Every dire prediction made three years ago by the opponents of higher speed limits has been discredited. Meanwhile, Americans have saved billions of hours of time spent on the road.[18] In addition, Americans are saving a net estimated $2 billion to $3 billion a year because of higher speed limits.[19]

The Failed Legacy of "Double-Nickel"

In March 1974, Congress enacted the maximum speed limit that established a national 55-mph speed limit on the nation's roads and highways. The law became known as "double-nickel." The measure was part of a package of laws passed by Congress in response to the oil crisis. The original intent of the law was not to save lives, but to save oil.[20]

Although many states, particularly the spacious and low-population-density western states, objected to this federal intrusion, Congress strictly enforced the law by withholding federal highway money to states that were in noncompliance. Noncompliance was eventually defined as a state's having more than 50 percent of the traffic on its interstate highway traveling at more than 55 mph for two successive years. In the mid-1980s Arizona, Maryland, New Hampshire, Vermont, and Wyoming were all found in noncompliance and received a warning from the Department of Transportation (DOT) or were penalized with a loss of federal highway funds.[21]

As a fuel-saving measure, the 55-mph speed limit was unquestionably a bust. The DOT estimated that the speed limits reduced U.S. motor fuel consumption by no more than 1 percent.[22] Milton Copulos, an energy analyst at the Heritage Foundation, estimated that annual consumption was cut by 26.6 million barrels of oil, out of 5.9 billion barrels consumed—a saving he labeled "barely worth noting."[23] It is also worth noting that the National

Research Council has since estimated that raising the speed limit to 65 would increase oil consumption by 0.018 percent—or less than two-tenths of one percent.[24]

As part of the 1987 highway funding bill, Congress permitted the states to raise their speed limits from 55 to 65 mph on certain interstates. This action was taken in part because of falling gasoline prices, and thus the reduced need to save energy, and in part as a result of widespread noncompliance with the mandatory federal speed limit. But it was not until December 1995 that the 1974 speed limit law was repealed entirely by the new Republican majority in Congress. Despite loud opposition from safety, medical, and insurance groups, the Senate repealed the federal speed limit law by a vote of 80 to 16, and the House bill was passed by unanimous consent.

It is worth emphasizing that by repealing the federal speed limit law, Congress did not raise speed limits in the states. It *allowed* states to raise the speed limits as they saw fit. One of the most compelling arguments made by members of Congress in favor of repealing the federal speed limit law was that it violated states' rights to set their own limits as they wished. Southern and western states complained that although a 55 mph requirement might be justified in the densely populated states of the northeast, it made little sense in expansive states like Texas, Utah, and Wyoming with very little traffic congestion.

Did the 1974 55-mph Speed Limit Save Lives?

Although the original rationale for higher speed limits was energy conservation, by 1981 the energy crisis was in retreat. After Ronald Reagan's deregulation of oil and gas, their prices plummeted. With the original rationale for the law no longer applicable, advocates of 55 changed their argument. Now they maintained that lower speed limits were saving lives on the highways. Hence, the "Stay Alive at 55" campaign was born. There was certainly strong circumstantial evidence that the lower speed limits were reducing traffic fatalities. The first year after the lower limits were in place, highway deaths plunged by 15 percent. This 15 percent figure became the basis for later claims in 1995 that raising the speed limits would cause a 15 percent rise in highway fatalities if the NMSL was repealed.[25]

But there are many reasons to believe that the relationship between the widely publicized reduction in traffic fatalities in 1974 and the raising of the speed limits is spurious. First, the major reason that traffic fatalities fell in 1974 was not that speed limits were lower, but that higher gas prices reduced driving by about 20 to 30 percent in many states.[26] The decline in miles traveled was particularly substantial during the discretionary driving periods of weekends and holidays when the rate of traffic accidents was higher than normal.

Moreover, the decline in traffic fatalities in 1974 actually predated the raising of the federal speed limit.[27] As Milton Copulos reported in a Heritage Foundation report in 1986,

> In October 1973, when the OPEC embargo was announced, somewhat more than 4.4 people were killed on the nation's highways per 100 million miles traveled. By February 1974, one month before the National Maximum Speed [Limit] was enacted, the fatality rate had dropped to slightly more than 3 per 100 million miles traveled. Over the next nine months, with the newly instituted speed limit, the fatality rate rose to close to 4 persons per 100 million miles traveled by November 1974, then dropped somewhat in December. The fatality rate in December 1974 under the NMSL was nearly a third higher than it was in December 1973 without it.[28]

If lowering the speed limit was responsible for a decline in fatalities, then in the years after 1974 the fatality rate would have gradually risen. Why? Because average speed levels crept back up after 1974 when drivers in many

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states began to realize they could travel at speeds above 55 without getting a speeding ticket. But after 1977 the fatality rate fell virtually every year. By 1985 the average speed on the highways had risen to 59 mph, but the fatality rate fell by more than 25 percent from 1974 to 1984.[29]

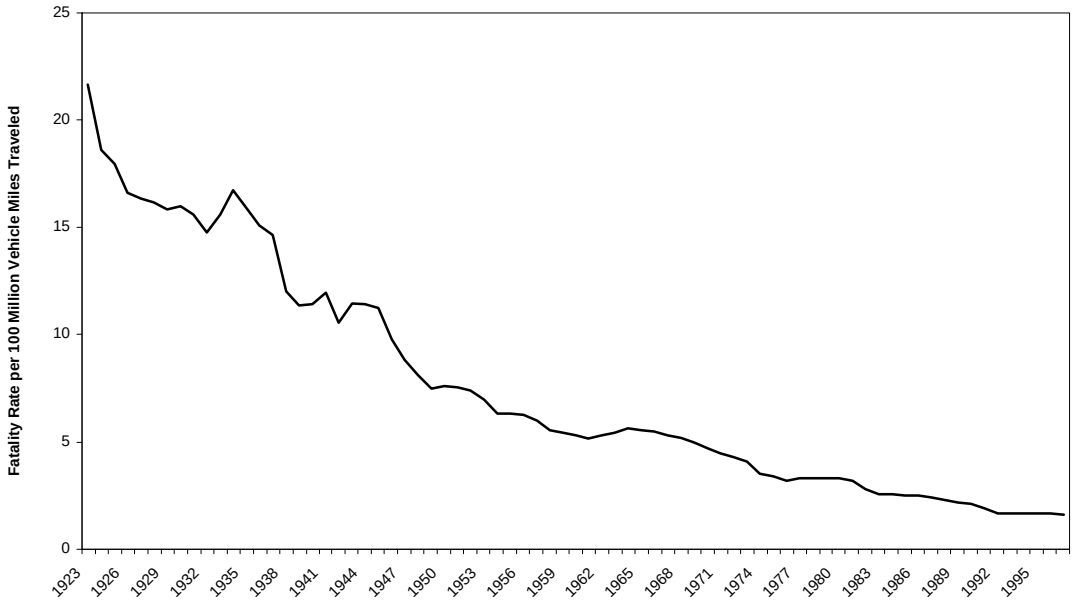
The fact is that the decline in fatalities in the 1970s was mainly a continuation of a long-term trend of reduced fatalities on the nation's roads dating back to the 1920s. Since 1922 the average reduction in the highway fatality rate has been 3 percent per year.[30] Figures 2, 3, and 4 show the long-term increased safety of driving measured in three ways. In just the past 20 years, traffic fatality rates have fallen by about half. For all of the talk in recent years about "road rage," driving is safer today than at any time in history.

There are several reasons why driving is increasingly safer even as speeds have risen. First and most important, cars are much better built today than 20, 30, or 50 years ago. From 1920 through the end of the 1940s, more than one-third of serious accidents were a result of equipment failure—usually tires, brakes, or steering.[31] The modern safety features of autos—including power steering, power brakes, seat belts, and so forth—have dramatically reduced fatalities from crashes. Second, the roads and highways are much wider, better maintained, and better engineered with improved surfaces and better guardrail systems.[32] And finally, states have gotten tough on drunk and reckless drivers, who are the major cause of accidents, injuries, and deaths on the highways.

False Predictions of Doom: The Bogus 6,400 Deaths

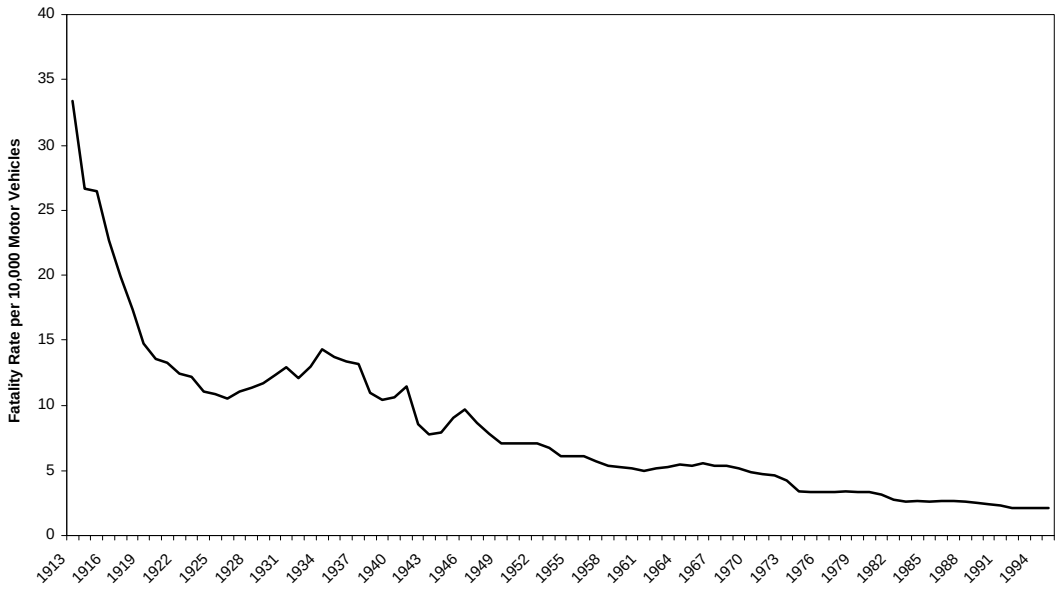
Although there is very little evidence that the 1974 federal speed limit law saved a significant number of lives, the proposal in 1995 by Congress and road-user groups to let states raise speed limits was met with predictions of blood on the streets. The major opponents of higher speed limits were the consumer advocacy groups led by Ralph Nader and Joan Claybrook, the Clinton Administration's Department of Transportation, and the insurance industry. Public Citizen's Joan Claybrook moaned that by raising the speed limit,

Figure 2
Motor Vehicle Death Rates per Vehicle Miles Traveled



Source: National Safety Council and National Highway Traffic Safety Administration.

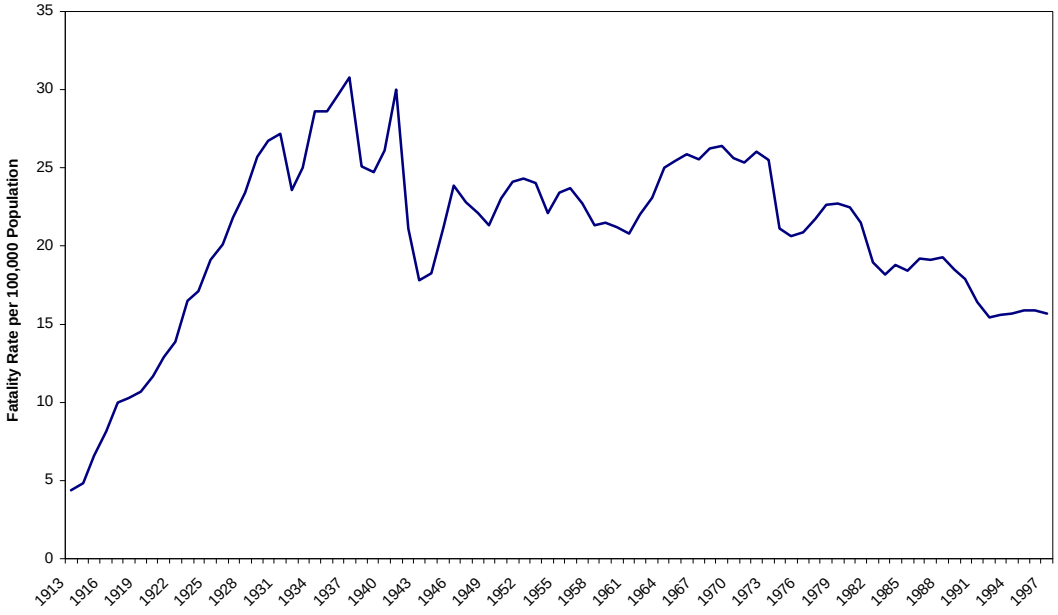
Figure 3
Motor Vehicle Death Rates per Vehicle



Source: National Safety Council.

Republicans "buried moral leadership in the rich opportunities afforded by political power."[33] Ralph Nader even said that "history will never forgive Congress for this assault on the sanctity of human life."[34] David F. Snyder, the assistant general counsel of the American Insurance Association, warned Congress and the public that "higher speed limits would cause 6,400 additional highway deaths a year and add $20 billion a year in costs to taxpayers

Figure 4
Motor Vehicle Deaths Related to U.S. Population



Source: National Safety Council and National Highway Traffic Safety Administration.

The predictions by Public Citizen, Advocates for Highway and Auto Safety, and the American Insurance Association have been off by an astounding 98 percent.

and insurance policyholders."[35] This 6,400-death figure soon became the standard prediction by the safety and insurance groups. It was repeated over and over in virtually every newspaper and TV story on the subject of raising speed limits.

After two years of evidence with the new higher speed limits, it is easy to verify that the prediction was not borne out by the facts. The absolute number of deaths did not rise by 6,400, but by 90 in 1996, the first year of higher speed limits. In 1997 there were 150 more highway deaths than in 1995—an increase of 0.25 percent.

All of this means that, so far, the predictions by Public Citizen, Advocates for Highway and Auto Safety, and the American Insurance Association have been off by an astounding 98 percent. Seldom has such a widespread prediction been so dramatically and so verifiably discredited by events. When informed of the improved highway safety record and asked to account for her 6,400-deaths prediction, Judith Stone of Advocates for Highway and Auto Safety told *USA Today*: "We never said it was going to happen overnight."[36]

It turns out that the 6,400-deaths estimate had never been based on sound science. "That figure was a myth from the start," says James Baxter of the National Motorists Association. "Advocates of 55 simply ignored all contrary evidence on speed limits and safety."[37]

All sorts of contrary scientific evidence back in 1995 refuted the number—but those studies were ignored by the opponents of higher speed limits. In 1992 the Federal Highway Administration published the results of its exhaustive, five-year, half-million-dollar study of 100 sites in 22 states.[38] That study revealed that "raising the posted speed limits did not increase speeds or accidents."[39] The research found that motorists effectively set their own speeds on the basis of what they regarded as a safe pace, regardless of the posted limits.

This is the second time that the highway safety lobby has been wrong in predicting more deaths from higher speed limits. Back in 1987 the federal government allowed states to raise their speed limits to 65 mph on portions of the interstate highway system. Fatalities fell.[40] By 1990 there were actually 1,500 fewer auto fatalities, despite the higher limits. In fact, in each of the 10 years since the speed limits were raised in 1987, the vehicle fatality rate fell.[41]

Yes, there are contrary studies suggesting that higher speeds do lead to increased highway accidents and deaths.[42] But even those studies would provide no scientific backing to the claim of 6,400 added deaths from repealing the 55-mph speed limit. For example, even NHTSA itself, which was a strong opponent of raising the speed limit, claims "350 more fatalities" from higher speed limits.[43] Even some of the more responsible opponents of higher speed limits challenged the 6,400-deaths figure. Rep. Bud Shuster, the powerful Republican head of the House Transportation Committee, and an advocate of the federal 55-mph speed limit, admitted: "Safety groups lose credibility when they make these wild statements."[44]

Higher Speeds Don't Kill: The Post-1995 Evidence

When Congress repealed the mandatory speed limit in November 1995, most states moved quickly to raise their own limits. In the first 6 months alone, 26 states raised their speed limits. Table 4 shows the maximum speed limits permitted in each of the 50 states as of 1998.

The data on total fatalities were examined in the previous section. This section reviews many other ways to measure the impact of the higher speed limits on highway safety. The findings are summarized in Table 1.[45]

Highway Fatality Rate

One of the best ways to measure highway safety over time is to measure the number of deaths relative to miles traveled. This is the highway fatality rate. The number of miles driven each year by Americans is now about 2.5 trillion, or about double the number of miles traveled in 1972. Adjusted for miles traveled, 1997 was the safest year on record with respect to fatalities. In 1986, the year before the states were permitted to raise

speed limits above 55 mph on any highways, the highway fatality rate was 2.5 fatalities per 100 million miles traveled. In 1995, the year before the Congress repealed the mandatory speed limit law altogether, the highway fatality rate was 1.73. By 1997, with no federal speed limit law, the highway fatality rate had fallen to 1.64. If the fatality rate had remained unchanged after 1995, 2,000 more motorists might have died on the nation's roads in 1997. If the fatality rate had remained what it was in 1986, the year before the speed limits were first relaxed, 20,000 more deaths would have occurred. Figure 5 shows the decline in highway death rates over the past 27 years, and shows that higher speed limits are associated with lower death rates, not higher death rates.

Serious Injuries

There were fewer, not more, automobile-related injuries in 1997 than in 1995. In 1997 there were 3,399,000 injuries in car accidents, *down* 66,000 from the 3,465,000 injuries in 1995, the year before the speed limits were raised. The injury rate per 100 million vehicle miles traveled fell from 143 in 1995 to 141 in 1996 to 133 in 1997. That is the lowest injury rate ever recorded. If the injury rate on the roads had been as high in 1997 as it had been in 1995, some 17,000 more motorists would have been injured on the roads.

Pedestrian Deaths

If Americans are driving more recklessly and at unsafe speeds as a result of raising speed limits, then more pedestrians might be expected to die in car accidents. In 1995, 277 more pedestrians were killed by cars than in 1997. The lowest rate of pedestrian deaths per million miles traveled ever recorded was in 1997.

Automobile Crashes

The DOT argues that the reduction in fatalities and bodily injuries in recent years is a result of safer cars, air bags, and the use of seat belts. If this were true, then death rates would possibly have been even lower had speed limits not been raised. One way to adjust for the increased safety of cars and roads is to measure the number of crashes. Seat belts may protect the occupant, but they do not prevent accidents. If higher speeds on the highways are more dangerous, then there must be significantly more crashes, even if fewer injuries. There have not been. From 1995 to 1997 the number of crashes increased by 65,000—or by 1 percent. But on a miles-traveled basis, the rate of crashes fell from 276 to 264 per 100 million vehicle miles traveled.

Is Driving More Dangerous in States with High Speed Limits?

Perhaps the best way to measure whether higher speed limits correlate with higher deaths and more traffic accidents is to compare states with high speed limits with those that did not raise speed limits.

Comparing the 17 states that did not raise their speed limits after 1995 with the 33 that did, reveals a somewhat lower fatality rate in the states that did not raise limits (1.7 per 100 million miles traveled in those states versus 1.5 in the states with higher limits—a 12 percent difference). But it is unclear whether there is any causal relationship here. Back when the national speed limit was 55 for all 50 states, these 33 states had higher death rates than the national average even before they raised their speed limits.

There is plenty of statistical evidence from the states that higher speed limits have not corresponded with higher death rates. In Michigan, for example, the highway death rate fell to 1.6 percent (a -5.9 percent decline) the year after the speed limit was raised to 70 mph on highways.[46]

This section compares fatality rates of change from 1995 through 1997 (the most recent nationwide data available) for the high- and low-speed-limit states.

Did the average fatality rate rise in states that raised speed limits after 1995? The answer here is no. The fatality rate in the 33 states that raised the speed limit fell from 1.8 to 1.7 from

The fatality rate in the 33 states that raised the speed limit fell from 1.8 to 1.7 from 1995 to 1997.

Table 4

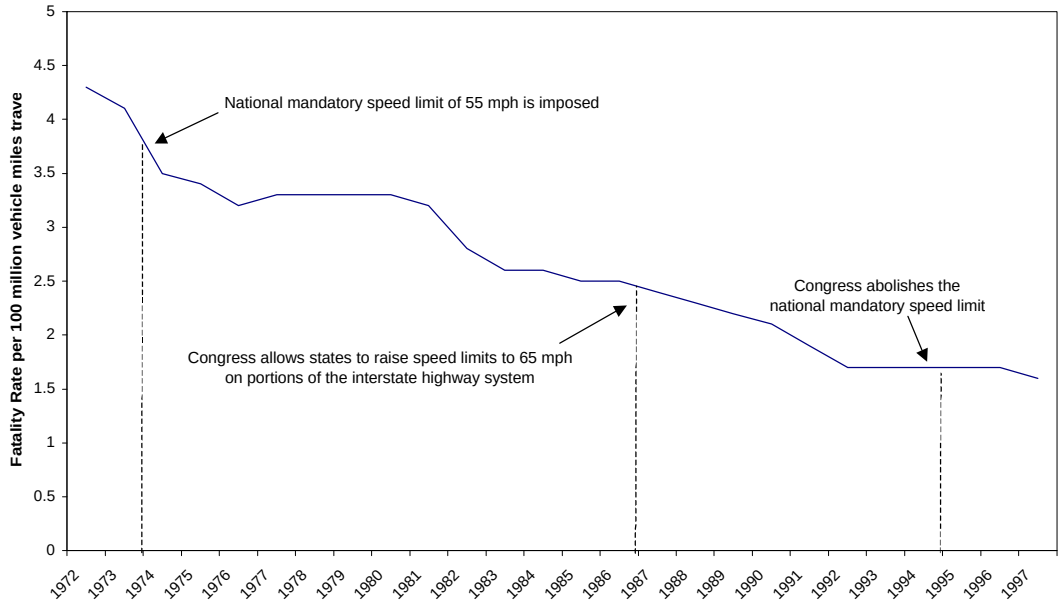
Maximum Speed Limits in Each State (as of 1998)

State	Date of Change	Maximum Limit
Alabama	May-96	70
Alaska	Jan-88	65
Arizona	Dec-95	75
Arkansas	Jul-96	70
California	Jan-96	70
Colorado	May-96	75
Connecticut	*	55
Delaware	Jan-96	65
Florida	Apr-96	70
Georgia	Jul-96	70
Hawaii	*	55
Idaho	May-96	75
Illinois	Nov-95	65
Indiana	Jun-87	65
Iowa	May-96	65
Kansas	Mar-96	70
Kentucky	Jun-87	65
Louisiana	Jul-97	70
Maine	Jun-87	65
Maryland	Jul-96	65
Massachusetts	Jan-96	65
Michigan	Aug-96	70
Minnesota	Jun-97	70
Mississippi	Mar-96	70
Missouri	Mar-96	70
Montana	Dec-95	75
Nebraska	Jun-96	75
Nevada	Dec-95	75
New Hampshire	Apr-87	65
New Jersey	Apr-98	65
New Mexico	May-96	75
New York	Aug-95	65
North Carolina	Aug-96	70
North Dakota	Jul-96	70
Ohio	May-96	65
Oklahoma	Dec-95	75
Oregon	Sep-87	65
Pennsylvania	Dec-95	65
Rhode Island	May-96	65
South Carolina	Aug-87	65
South Dakota	Apr-96	75
Tennessee	Apr-96	70
Texas	Dec-95	70
Utah	Mar-96	75
Vermont	Apr-87	65
Virginia	Jul-88	65
Washington	Mar-96	70
West Virginia	Aug-97	70
Wisconsin	Jun-87	65
Wyoming	Jan-96	75

* - no change

Source: National Motorists Association.

Figure 5
Declining Fatality Rates since 1972



Source: National Highway Traffic Safety Administration.

1995 to 1997. (See Table 2.) In only 7 of the 33 states did the highway fatality rate rise, although the fatality rate rose by more than 10 percent in Delaware, Oklahoma, Montana (which has no daytime speed limit), North Dakota, and Nebraska.

After comparing the states that raised the speed limit immediately after the repeal of NMSL with the states that did not, fatality rates were higher in the states that raised the limits—but not significantly higher. The fatality rate fell by 5.6 percent between 1995 and 1997 in states that raised the speed limits, versus a 6.3 percent decline in the states that did not raise their speed limit.

The total number of fatalities was only slightly higher in the states with higher speed limits. (See Table 3.) Between 1995 and 1997 total fatalities were up 0.2 percent in the states that did not raise speed limits after 1995 versus an increase of 0.4 percent in states that did. That is the equivalent of just 64 additional deaths for the entire year in all 33 states. What about states that raised their speed limits to 70 or above? Perhaps once speed limits exceed 70, highway safety is reduced dramatically. The data in Table 5 indicate a slightly higher increase in deaths in the states with limits over 70 mph. Deaths were up 1 percent in those states versus a decrease of -0.7 percent in the rest of the states. This difference in terms of increased risk to motorists is microscopic. The states with 70-mph limits would have had 332 fewer deaths in 1997 if their fatality rate had fallen as in the rest of the states. But the 332 deaths is out of more than 1 trillion miles traveled. To state this statistic in another way, one additional death would result from every one million cross-country trips.[47]

The fatality rate actually fell in the states that raised their speed limits to 70 or above, but remained unchanged in the states with speed limits below 70. (See Table 6.)

The Insurance Institute Study

All of this good news about increased highway safety despite higher speed limits has been a source of considerable embarrassment to the safety lobby and has greatly diminished their credibility. Yet the Insurance Institute for Highway Safety

This difference in terms of increased risk to motorists is microscopic. To state this statistic in another way, one additional death would result from every one million cross-country trips.

Table 5
Speed Limits and Total Fatalities

States with Maximum Speed Limit Below 70 MPH
Total Fatalities

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	Total Change
Alaska	87	81	77	-6.9%	-4.9%	-11.5%
Connecticut	317	310	338	-2.2%	9.0%	6.6%
Delaware	121	116	143	-4.1%	23.3%	18.2%
Hawaii	130	148	131	13.8%	-11.5%	0.8%
Illinois	1,586	1,477	1,395	-6.9%	-5.6%	-12.0%
Indiana	960	984	935	2.5%	-5.0%	-2.6%
Iowa	527	465	468	-11.8%	0.6%	-11.2%
Kentucky	849	842	857	-0.8%	1.8%	0.9%
Lousiana	894	902	913	0.9%	1.2%	2.1%
Maine	187	169	192	-9.6%	13.6%	2.7%
Maryland	671	608	608	-9.4%	0%	-9.4%
Massachusetts	444	417	442	-6.1%	6.0%	-0.5%
Minnesota	597	576	600	-3.5%	4.2%	0.5%
New Hampshire	118	134	125	13.6%	-6.7%	5.9%
New Jersey	774	814	774	5.2%	-4.9%	0.0%
New York	1,679	1,593	1,643	-5.1%	3.1%	-2.1%
Ohio	1,360	1,391	1,441	2.3%	3.6%	6.0%
Oregon	574	526	523	-8.4%	-0.6%	-8.9%
Pennsylvania	1,480	1,469	1,557	-0.7%	6.0%	5.2%
Rhode Island	69	69	75	0.0%	8.7%	8.7%
South Carolina	881	930	903	5.6%	-2.9%	2.5%
Vermont	106	88	96	-17.0%	9.1%	-9.4%
Virginia	900	877	984	-2.6%	12.2%	9.3%
West Virginia	377	348	379	-7.7%	8.9%	0.5%
Wisconsin	745	761	725	2.1%	-4.7%	-2.7%
Total	**16,433**	**16,095**	**16,324**	**-2.1%**	**1.4%**	**-0.7%**

States with Speed Limits of 70 MPH or Above
Total Fatalities

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	Total Change
Alabama	1,114	1,146	1,189	2.9%	3.8%	6.7%
Arizona	1,035	994	951	-4.0%	-4.3%	-8.1%
Arkansas	631	615	660	-2.5%	7.3%	4.6%
California	4,192	3,989	3,688	-4.8%	-7.5%	-12.0%
Colorado	645	617	613	-4.3%	-0.65%	-5.0%
Florida	2,805	2,753	2,782	-1.9%	1.1%	-0.8%
Georgia	1,488	1,573	1,577	5.7%	0.25%	6.0%
Idaho	262	258	259	-1.5%	0%	-1.1%
Kansas	442	490	481	10.9%	-1.8%	8.8%
Michigan	1,530	1,505	1,446	-1.6%	-3.9%	-5.5%
Mississippi	868	811	861	-6.6%	6.2%	-0.8%
Missouri	1,109	1,148	1,192	3.5%	3.8%	7.5%
Montana	215	200	265	-7.0%	32.5%	23.3%
Nebraska	254	293	302	15.4%	3.1%	18.9%
Nevada	313	348	347	11.2%	-0.3%	10.9%
New Mexico	485	485	484	0.00%	-0.21%	-0.2%
North Carolina	1,448	1,494	1,483	3.2%	-0.74%	2.4%
North Dakota	74	85	105	14.9%	23.53%	41.9%
Oklahoma	669	772	838	15.4%	8.5%	25.3%
South Dakota	158	175	148	10.8%	-15.4%	-6.3%
Tennessee	1,259	1,239	1,223	-1.6%	-1.3%	-2.9%
Texas	3,183	3,742	3,510	17.6%	-6.2%	10.3%
Utah	325	321	366	-1.2%	14.0%	12.6%
Washington	653	712	676	9.0%	-5.1%	3.5%
Wyoming	170	143	137	-15.9%	-4.2%	-19.4%
Total	**25,327**	**25,908**	**25,583**	**2.3%**	**-1.3%**	**1.0%**

Source: National Highway Traffic Safety Administration.

(IIHS) has published two studies on the impact of the repeal of the federal speed limit on highway death rates, both of which concluded that the death rate has surged on roads with higher speed limits. The first study, published in October 1997, found a 12 percent increase in fatalities on interstates and freeways with higher speed limits.[48] The second study, published in December 1998, maintained that the

Table 6
Speed Limits and Fatality Rates

States with Speed Limits Below 70 MPH
Fatality Rates per 100 Million Vehicle Miles Traveled

State	1995	1996	1997	% Change, 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alaska	2.1	1.9	1.8	-9.5%	-5.3%	-14.3%
Connecticut	1.1	1.1	1.2	0.0%	9.1%	9.1%
Delaware	1.6	1.5	1.8	-6.3%	20.0%	12.5%
Hawaii	1.6	1.8	1.6	12.5%	-11.1%	0.0%
Illinois	1.7	1.5	1.4	-11.8%	-6.7%	-17.6%
Indiana	1.5	1.5	1.4	0.0%	-6.7%	-6.7%
Iowa	2	1.7	1.7	-15.0%	0.0%	-15.0%
Kentucky	2.1	2	1.9	-4.8%	-5.0%	-9.5%
Lousianna	2.3	2.1	2.4	-8.7%	14.3%	4.3%
Maine	1.5	1.3	1.4	-13.3%	7.7%	-6.7%
Maryland	1.5	1.3	1.3	-13.3%	0.0%	-13.3%
Massachusetts	0.9	0.8	0.9	-11.1%	12.5%	0.0%
Minnesota	1.4	1.3	1.2	-7.1%	-7.7%	-14.3%
New Hampshire	1.1	1.2	1.1	9.1%	-8.3%	0.0%
New Jersey	1.3	1.3	1.2	0.0%	-7.7%	-7.7%
New York	1.5	1.3	1.4	-13.3%	7.7%	-6.7%
Ohio	1.4	1.4	1.4	0.0%	0.0%	0.0%
Oregon	1.9	1.7	1.6	-10.5%	-5.9%	-15.8%
Pennsylvania	1.6	1.5	1.6	-6.3%	6.7%	0.0%
Rhode Island	1	1	1.1	0.0%	10.0%	10.0%
South Carolina	2.3	2.3	2.2	0.0%	-4.3%	-4.3%
Vermont	1.7	1.4	1.5	-17.6%	7.1%	-11.8%
Virginia	1.3	1.2	1.4	-7.7%	16.7%	7.7%
West Virginia	2.2	1.9	2.1	-13.6%	10.5%	-4.5%
Wisconsin	1.4	1.4	1.3	0.0%	-7.1%	-7.1%
Total	**1.4**	**1.4**	**1.4**	**0.0%**	**0.0%**	**0.0%**

States with Speed Limits of 70 MPH or More
Fatality Rates per 100 Million Vehicle Miles Traveled

State	1995	1996	1997	% Change 1995-1996	% Change, 1996-1997	% Change, 1995-1997
Alabama	2.2	2.2	2.2	0.0%	0.0%	0.0%
Arizona	2.6	2.4	2.2	-7.7%	-8.3%	-15.4%
Arkansas	2.4	2.2	2.3	-8.3%	4.5%	-4.2%
California	1.5	1.4	1.3	-6.7%	-7.1%	-13.3%
Colorado	1.8	1.7	1.6	-5.6%	-5.9%	-11.1%
Florida	2.2	2.1	2.1	-4.5%	0.0%	-4.5%
Georgia	1.7	1.8	1.7	5.9%	-5.6%	0.0%
Idaho	2.1	2	2	-4.8%	0.0%	-4.8%
Kansas	1.8	1.9	1.8	5.6%	-5.3%	0.0%
Michigan	1.8	1.7	1.6	-5.6%	-5.9%	-11.1%
Mississippi	2.9	2.7	2.7	-6.9%	0.0%	-6.9%
Missouri	1.9	1.9	1.9	0.0%	0.0%	0.0%
Montana	2.3	2.1	2.8	-8.7%	33.3%	21.7%
Nebraska	1.6	1.8	1.8	12.5%	0.0%	12.5%
Nevada	2.2	2.5	2.1	13.6%	-16.0%	-4.5%
New Mexico	2.3	2.2	2.2	-4.3%	0.0%	-4.3%
North Carolina	1.9	1.9	1.8	0.0%	-5.3%	-5.3%
North Dakota	1.1	1.3	1.5	18.2%	15.4%	36.4%
Oklahoma	1.7	2	2	17.6%	0.0%	17.6%
South Dakota	2.1	2.2	1.9	4.8%	-13.6%	-9.5%
Tennessee	2.2	2.1	2	-4.5%	-4.8%	-9.1%
Texas	1.8	2	1.8	11.1%	-10.0%	0.0%
Utah	1.7	1.6	1.8	-5.9%	12.5%	5.9%
Washington	1.3	1.4	1.3	7.7%	-7.1%	0.0%
Wyoming	2.4	1.9	1.8	-20.8%	-5.3%	-25.0%
Total	**1.9**	**1.9**	**1.8**	**0.0%**	**-5.3%**	**-5.3%**

Source: National Highway Traffic Safety Administration.

increased death toll had risen to 15 percent.[49] The IIHS reports that 500 additional deaths were attributable to higher speed limits. This conclusion was widely publicized and trumpeted by safety groups as vindication that their fears had been realized. The report received wide publicity from most major newspapers—more publicity, in fact, than

On balance, there is no basis in fact for the IIHS conclusion that repealing the maximum speed limit led to a 15 percent increase in fatalities.

the more important news that highway safety has risen in the last two years. It is worth noting that even if the 1997 IIHS study were entirely correct, 500 deaths—while not insignificant—represents about 7 percent of the 6,400 deaths many had predicted.

But the 1997 IIHS study contained severe methodological flaws. First, by examining only the change in the death rate on roads with higher posted speed limits, rather than on all roads in the state, the study overstates deaths caused by higher speed limits. Why? Because one impact of raising speed limits on highways is to reduce the travel times on these roads, thus drawing traffic from the more dangerous secondary roads. In most states an increase in highway speed limits causes more deaths on the highways, but *far fewer* deaths on the statistically more dangerous back roads.[50] So the 500 additional deaths reported by the IIHS were offset by hundreds of reduced deaths on secondary roads.

In fact, the IIHS skirts this issue entirely by wrongly concluding that there was no reduced fatality rate on roads where the speed limits were not raised. But this is impossible. If the fatality rate rose on the roads with higher posted speed limits, and if the overall fatality rate fell in those states, then it is mathematically impossible for the fatality rate not to have fallen on all other roads.

Second, the 1997 IIHS study examined the fatalities in 1996 for 12 states with higher speed limits. However, 8 of those 12 states had *lower* fatality rates in 1997. Therefore, the results of the study do not hold up for the second year of higher limits.

Third, the 1997 IIHS study examined only 12 of the 17 states that raised their speed limits between December 1995 and March 1996. Some states were excluded because they had too few miles of freeway or because speed limits were restricted to selected segments of interstate highway. Also, the study examined only the last nine months of 1996, not the full year. When the data were reexamined for the full year on all roads, the number of fatalities rose only 4 percent in those 12 states, versus the 6 percent for the last nine months.[51] Moreover, the fatalities in those states fell in 1997 by 3 percent. But even more damaging to the IIHS study is that in the five states that were excluded from the sample, the number of road deaths fell by 4 percent. So the IIHS result is simply a function of the sample chosen. A different sample would have given different conclusions.

The same problems contaminate the 1998 IIHS study. For example, the 1998 study excluded nine states with higher speed limits in 1995 and 1996. Of those nine states, Illinois had the second largest decline in fatality rate between 1995 and 1997, Iowa ranked fourth in largest overall decline, and Maryland ranked sixth.[52] In fact, of the states that raised the speed limit, but were excluded from the 1998 IIHS study, the number of fatalities fell by 1.9 percent between 1995 and 1997 and the fatality rate fell by 5.9 percent.

On balance, there is no basis in fact for the IIHS conclusion that repealing the maximum speed limit led to a 15 percent increase in fatalities. If there were any increase in deaths, it was probably one-tenth of that.

Why Speed Doesn't Kill

There are several explanations for why higher speed limits do not correspond with more deaths. One is that variability of speed on the highway is more dangerous than high speed per se. This was the finding of a study by transportation economist Charles A. Lave of the University of California-Irvine published in the *American Economic Review*.[53] According to Professor Lave, there is "no statistically discernible relationship between the fatality rate and average speed, though there is a strong relationship to speed variance. When most cars are traveling at about the same speed, whether it is a high speed or a low one, the fatality rate will be low. . . . Variance kills, not

speed." Speed limits that are too low can be just as dangerous as speed limits that are too high. Eric Peters, a writer on automotive issues, explains the danger associated with lower-than-necessary speed limits:

> Sometimes higher speeds are safer because they reflect the normal flow of traffic—what highway engineers call the "85th percentile" speed. This is the speed most drivers will maintain on a given stretch of road under normal conditions. When speed limits are set artificially low, tailgating, weaving and speed variance (the problem of some cars traveling significantly faster than others) make roads less safe.[54]

A second reason that higher speed limits have not caused more deaths is that although posted limits have been raised across the United States, average speeds traveled have only risen by about 1 to 3 mph on highways with higher speed limits since 1995.[55] In other words, Americans were already traveling well over 55 mph on highways before the speed limits were raised. The major effect of the 1974 oil crisis era speed limit was to create a nation of scofflaws. The 55-mph speed limit was arguably the most disobeyed federal law in American history—or at least since Prohibition. The DOT estimates that about 70 percent of American drivers exceeded the 55-mph speed limit.[56] The National Motorists Association has estimated that the last year New York had a 55-mph speed limit, compliance was just 4 percent.[57] The law spawned whole new multimillion dollar industries in the 1970s and 1980s in citizens band radios and radar detectors or "fuzz busters."

Some states disregarded this federal law that was viewed as intrusive and unnecessary. The state legislature in Montana, in protest against the federal speed limit law, imposed a $5.00 maximum penalty for speeding and the ticket was for "wasting energy." This became a pseudo-toll payment for driving 75 mph through the 560-mile length of this barren state. Legend has it that troopers, after issuing a ticket for the $5.00, would tell the driver: "Hold on to that receipt, bud. It's good for the whole day."

With speed limits raised, when Americans now drive 70 mph on the freeways, they can concentrate on keeping their eyes on the road instead of the rear-view mirror.

Finally, enforcing the 55-mph speed limit preoccupied the highway patrol from tending to more serious offenses. In fact, in 1988 the association of highway state troopers passed a resolution against the maximum speed limit, noting that enforcing the 55-mph speed limit causes "the over-concentration of limited resources for the express purpose of attaining compliance rather than application of resources in a manner most effectively enhancing total highway safety."[58]

Higher Speed Limits and Insurance Costs

One way to measure whether the roads are less safe today than before the speed limits were raised is to examine automobile insurance claims and premiums. If there are more automobile accidents, then it should be reflected in insurance costs. In fact, in 1995 major auto insurance companies including Geico, Hartford, and Kemper were vocal opponents of repealing the 55-mph limit, and they predicted that insurance costs would rise as a consequence.[59]

Yet contrary to the insurance industry's dire predictions, in 1996 and 1997 insurance costs fell—in some cases dramatically. In 1996 and 1997 there were fewer accident claims (per 100 cars insured), the size of the average claim was lower, suggesting less serious accidents, and insurance premiums fell. (See Figures 6, 7, and 8.)[60] Here is how the *Wall Street Journal* recently reported the auto insurance trends: "Automobile insurance premiums are coming down for the first time in more than 20 years for millions of car owners as big insurers pass along some of the savings they've enjoyed

Speed limits that are too low can be just as dangerous as speed limits that are too high.

Contrary to the insurance industry's dire predictions, in 1996 and 1997 insurance costs fell—in some cases dramatically.

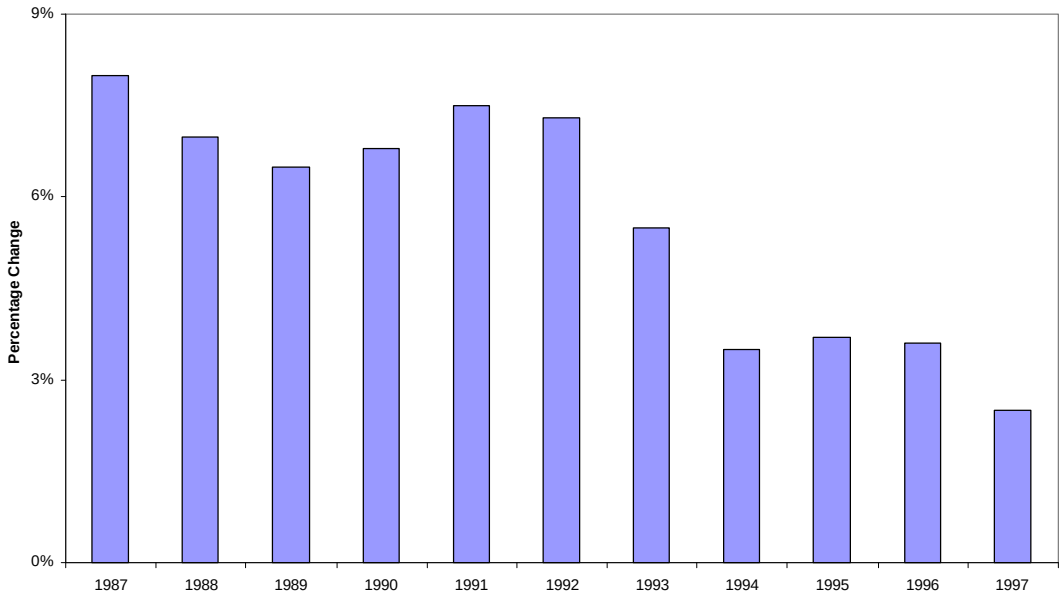
from nearly five years of favorable experience."[61] State Farm, which insures roughly one of every four cars on the road, reported that in 1997 insurance rate reductions outnumbered rate increases for the first time since 1975. And in June of 1998 State Farm actually handed out rebates of $900 million to its policyholders, following $692 million in rebates for 1997, because of declining costs.[62] Another major auto insurer, Allstate, has also reported banner years for profits and lowering costs since 1995. In sum, the prediction that higher speed limits would cost up to $20 billion in higher insurance costs has been flatly refuted by the insurance industry's own reported performance since 1993. And the fact that insurance costs have fallen, not risen, since 1995, is further evidence that the highways are not more dangerous today as a result of higher speed limits.

Assessing Costs and Benefits of Higher Speed Limits

It seems self-evident that if all other things are equal, and average speeds rise from, say, 60 to 70 mph on the highways, there will be more loss of life and more injuries. However, all of the foregoing evidence indicates that the increase in injuries and deaths has been miniscule—certainly much smaller than the opponents had feared. But a case could be made that higher speed limits are not justified if they result in even a small increase in deaths and injuries. Some of the safety groups seem to suggest from their arguments that the optimal speed limit policy is one with zero tolerance for reduced safety. Moreover, as Colman McCarthy of the *Washington Post* complained back in 1995, there are societal costs to raising speed limits. "Who pays for the high-speed death and gore?" he asked. "Everyone pays . . . through higher medical, governmental, and societal costs."[63]

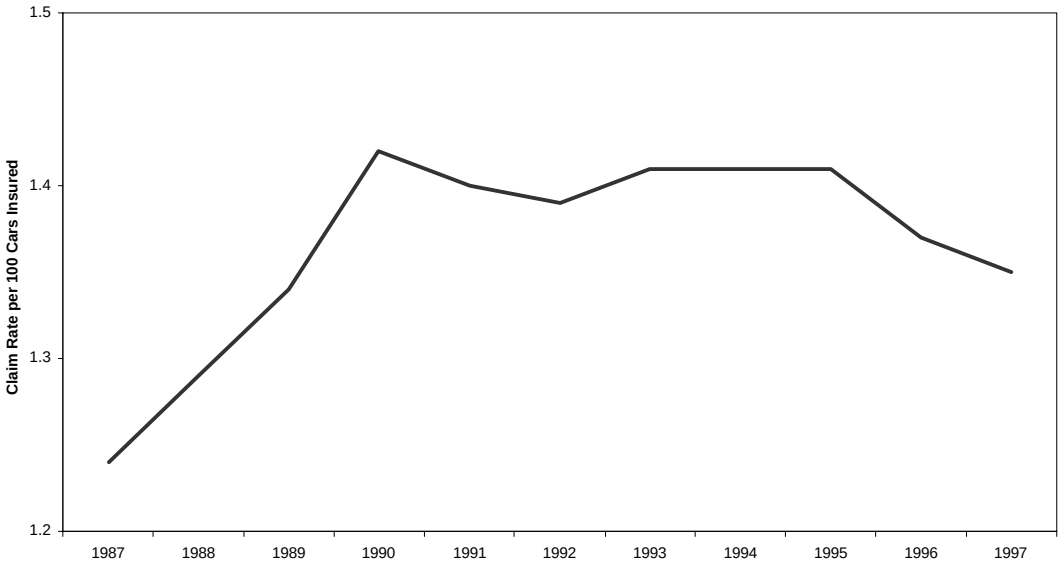
Yes, there are personal and societal costs associated with higher speed limits. But the appropriate question to ask is whether those costs are offset by personal and societal benefits. After all, if cost minimization were the goal, then this might be an argument for setting and strictly enforcing not a 55-mph federal speed limit, but a 40-mph speed limit on the highways to reduce deaths. Indeed, studies have found that when speed limits rise above

Figure 6
Automobile Insurance Costs



Sources: Insurance Services Office Inc.; National Association of Independent Insurers; and National Independent Statistical Service.

Figure 7
Accident Claims



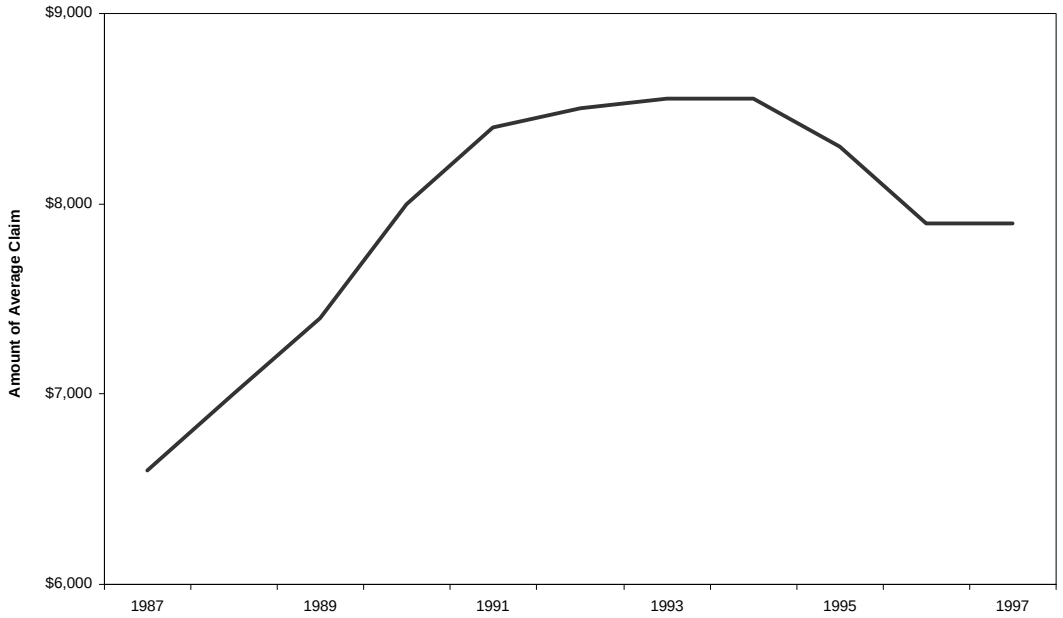
Sources: Insurance Services Office Inc.; National Association of Independent Insurers; and National Independent Statistical Service.

Note: Accidents that resulted in bodily injury only.

40 mph, the risk of fatality begins to rise.[64] So if a speed limit of 55 is better than 70, safety groups should be asked why a speed limit of 40 is not better than a speed limit of 55. The obvious answer is that there are large societal benefits to raising speed limits if they are unreasonably low.

In 1998 NHTSA released to Congress the results of a $200,000 study on the impact of allowing states to raise the speed limits.[65]

Figure 8
Average Bodily Injury Claims



Sources: Insurance Services Office Inc.; National Association of Independent Insurers; and National Independent Statistical Service.

The benefit range estimate suggests that the average annual societal benefits of raising the speed limits ($3 billion to $4 billion) are 3 to 4 times higher than the average annual social costs ($820 million).

NHTSA estimated that in 1996 there were "approximately 350 more interstate fatalities than would have been expected based on historical trends—about 9 percent above expectations."[66] NHTSA then estimated "the total economic cost of the 350 additional fatalities and the associated injuries and crashes at more than $820 million." For the reasons detailed earlier, this 350-deaths figure is improbably high, but for this section it is assumed to be correct.

Are those costs justified? To calculate the benefits from higher speed limits, motorists' time saved by arriving at their destinations more quickly, and the economic value of their time, must be estimated. Most studies on the pace of highway traffic indicate that average speeds have risen by 3 mph in those states with higher limits. In the 33 states with higher speed limits, there were just over 200 million manhours saved in 1997 from higher speed limits.[67] This is roughly the same number of manhours that were worked last year by every worker of the state of New Hampshire.[68] In 1984 the Transportation Research Board estimated that the 55-mph speed limit caused Americans to spend 1 billion more hours in their cars than necessary.[69] Time is money. If it is estimated that a person's time is worth his wage rate, then the 55-mph federal speed limit cost America some $3.2 billion a year in lost output.[70]

The benefit range estimate suggests that the average annual societal benefits of raising the speed limits ($3 billion to $4 billion) are 3 to 4 times higher than the average annual social costs ($820 million). Therefore, on any rational cost-benefit basis, higher speed limits have to a great extent been socially beneficial.

One final word is in order on the concern of safety groups for the "sanctity of human life" and transportation policy. It is worth noting that many of the same opponents of higher speed limits who claim that no loss of life should be tolerated in the name of higher speed limits, also advocate Corporate Average Fuel Economy (CAFE) standards. CAFE forces Americans into smaller, less safe cars, and unarguably increase, highway deaths by thousands each year. Many more people die each year as a result of CAFE standards than higher speed limits.[71]

Conclusion

Ralph Nader, Joan Claybrook, Judith Stone, the automobile insurance industry, and the Clinton Transportation Department were all wrong in 1995 when they predicted a huge loss of human life as a result of repealing the 55-mph limit. Higher speed limits have not led to a surge in deaths, but to the best highway safety record in history.

Imagine for a moment that highway deaths had surged by anywhere near the preposterous 6,400 estimate that Judith Stone and other fear mongers had predicted. Across the nation, newspaper headlines would have screamed: "Higher Speed Limits Cause Death and Carnage on the Roads." Ralph Nader would have held a wake/press conference with scrolls of the names of those killed or maimed due to the callous disregard "for the sanctity of human life" in the Republican Congress.

Instead the unexpected good news in the traffic fatality report has received scant media attention. Only CNN has aired a story taking "U.S. highway safety experts" to task for false predictions of doom.[72]

So far the evidence suggests that Americans have not responded to higher speed limits by converting the highways into stretches of the Indianapolis 500. Except for a few instances, such as on certain rural highways in Texas, average highway speeds have not risen to dangerous levels. "The main issue for our members was simply having the right to drive at safe speeds *legally* and not having to worry constantly about getting pulled over," insists Jim Baxter, spokesman for the National Motorists Association.[73] Most American drivers no doubt agree.

Notes

The author wishes to thank Cato Institute fiscal policy research assistant Stephen Slivinski for his assistance in preparing this report.

1. *Today* Show, NBC Network, November 29, 1995.

2. Colman McCarthy, "Hooked on Speed," *Washington Post*, November 18, 1995, p. A27.

3. U.S. Department of Transportation, National Highway Traffic Safety Administration, *Traffic Safety Facts 1997*, 1998. Cited hereafter as NHTSA.

4. "Transportation Secretary Slater Says Traffic Death Rate Dropped to Record Low in 1997," U.S Department of Transportation press release, October 27, 1998.

5. Advocates for Highway and Auto Safety, "States at Risk: Repealing the National Maximum Speed Limit Means More Deaths, Injuries and Costs to Society," Washington, November 13, 1995.

6. Author's calculations based on NHTSA data.

7. NHTSA.

8. Ibid.

9. Author's calculations based on NHTSA data.

10. NHTSA.

10. Ibid.

11. Ibid.

12. Ibid.

13. Charles M. Farmer, Richard A. Retting, and Adrian K. Lund, "Changes in Motor Vehicle Occupant Fatalities after Repeal of the National Maximum Speed Limit," Insurance Institute for Highway Safety, December 1998.

14. Because one of the impacts of raising speed limits is to divert traffic off of less safe secondary roads onto the higher-speed-limit highways, traffic fatalities are examined in the entire state, not just for the roads with higher speed limits. Higher speed limits are typically associated with lower death rates on roads where the speed limits were not raised.

15. Melissa Wahl, "Car Insurance Rates Downshift," *Chicago Tribune*, August 20, 1998.

16. "State Farm to Give $900 Million to Policyholders," Bestlink Insurance News Service, August 9, 1998.

17. Dana Milbank, "Texas Traffic Toll Suggests Higher Speed Limits Do Kill," *Wall Street Journal*, September 23, 1997.

18. Transportation Research Board, National Research Council, *55: A Decade of Experience* (Washington: National Academy Press, 1984).

19. Author's calculations.

20. For an excellent and concise history of the 55-mph federal speed limit law, see Milton Copulos, "The High Cost of the 55-mph Speed Limit," Heritage Foundation Backgrounder no. 532, September 1986.

21. Ibid.

22. Ibid.

23. Ibid.

24. "The 55-mph Myth," *Road and Track Magazine*, May 1980, p. 157.

25. Copulos.

26. Ibid.

27. Ibid., p. 5.

28. Ibid.

29. "Does the 55-mph Speed Limit Save Lives?" *Wall Street Journal*, April 28, 1986. The data on average speeds on highways reported by the states almost certainly understate average speeds, because the states had an incentive to fudge the numbers downward to maintain compliance with the NMSL and avoid sanctions.

30. James Baptoe, "Traffic Safety Facts 1996," U.S. Department of Transportation, National Highway Traffic Safety Administration, 1997.

31. National Motorists Association estimate, November 5, 1998.

32. "House Approves Bill Ending Speed Limit," *Washington Post*, November 19, 1995, p. A14.

33. Don Phillips, "Safety Groups Aghast at Prospect of No National Speed Limit," *Washington Post*, November 25, 1995, p. C1.

34. Don Phillips, "Federal Speed Limit, Set in 1974, Repealed," *Washington Post*, November 29, 1995, p. A1.

35. Don Phillips, "Bill Ending Speed Limit Clears House," *Washington Post*, November 19, 1995, p. A1.

36. Carol J. Castaneda, "Seat Belts Counteract

Higher Speed Limits," *USA Today*, July 14, 1997, p. 4A.

37. Interview with author.

38. "Effects of Raising and Lowering Speed Limits," U.S. Department of Transportation, Federal Highway Administration, Report no. FHWA-RD-92-084, October 1992.

39. Ibid., abstract.

40. Charles Lave, "65 MPH Speed Limit Is Saving Lives," *Consumer's Research*, September 1997, p. 27.

41. *Traffic Safety Facts 1996*, U.S. Department of Transportation, National Highway Traffic Safety Administration, 1997, p. 4.

42. For a summary, see "The Effect of Increased Speed Limits in the Post-NMSL Era," National Highway Traffic Safety Administration, February 1998.

43. Ibid., p. iii.

44. Phillips, "Bill Ending Speed Limit Clears House," p. A1.

45. Unless otherwise indicated, all of the data in this section come from NHTSA. The data are available at http://www.nhtsa.dot.gov/people/ncsa/overvu97.html.

46. NHTSA.

47. Author's calculations.

48. Charles Farmer et al., "Effect of 1996 Speed Limit Changes on Motor Vehicle Occupant Fatalities," IIHS, October 1997.

49. Charles Farmer et al., "Effect of 1996 Speed Limit Changes on Motor Vehicle Occupant Fatalities," IIHS, December 1998.

50. *Consumer's Research*, November 1997, p. 38.

51. The data and comparisons with the IIHS study are available upon request.

52. Technically, these three states already had 65-mph speed limits on some highways, but after 1995 they extended the 65-mph speed limit to many other roads.

53. Charles Lave, "Speeding, Coordination, and the 55-mph Limit," *American Economic Review*, December 1985, p. 1159.

54. Eric Peters, "Highways Are Safe at Any Speed," *Wall Street Journal*, November 24, 1998, editorial page.

55. "Synthesis of Safety Research Related to Speed and Speed Limits," Federal Highway Administration, Publication no. FHWA-RD-98-154, 1998, p. 8.

56. Jack Stuster and Zail Coffman, "Synthesis of Safety Research Related to Speed and Speed Management," Federal Highway Administration, July 1998.

57. Correspondence with James Baxter, National Motorists Association, April 29, 1999.

58. Charles Lave, "65 MPH Speed Limit Is Saving Lives," *Consumer's Research*, September 1997, p. 27.

59. Phillips, "Safety Groups Aghast," p. C1.

60. Leslie Scism, "Auto-Insurance Premiums Are Declining," *Wall Street Journal*, January 20, 1998, p. A2.

61. Ibid.

62. Bestlink Insurance News Service, Daily News for 06/09/97, p. 1.

63. McCarthy.

64. "Synthesis of Safety Research Related to Speed and Speed Limits," Federal Highway Administration, Publication no. FHWA-RD-98-154, 1998, p. 5.

65. National Highway Traffic Safety Admin-istration, "The Effect of Increased Speed Limits in the Post-NMSL Era," February 1998.

66. Ibid., p. iii.

67. Author's calculations based on FHA and TRB data. To arrive at a number of hours saved in those 33 states, the author assumed an average speed of 62 mph before limits were raised and an average speed of 65 mph after the limits were raised, thereby taking into account the aforementioned 3 mph increase since 1995. The total 1997 vehicle miles traveled for those states was divided by 62, and then those same vehicle miles traveled was divided by 65. The difference between the two results yielded the number of vehicle hours saved (211,665, 632). This approach is based on the methodology used by the Transportation Research Board in its original 1984 estimate.

68. Office of Planning, State of New Hampshire.

69. Transportation Research Board.

70. Author's calculations based on 211, 665, 632 vehicle hours and $15 wage rate.

71. Robert Crandall and John Graham, "The Effect of Fuel Economy Standards on Automobile Safety," *Journal of Law and Economics* 32 (April 1989): 97.

72. *Early Prime*, Cable News Network, July 14, 1997.

73. Interview with author, September 1998.

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