"Optimal" Deterrence: Dr. Sunding's Inaccurate Assumptions

- **$4 billion is unsupported as Anadarko's share of damages**
  - Total amount of harm from oil spill remains unknown

- **Optimal deterrence theory requires violator to pay a risk premium on top of damages caused because damaged individuals are risk averse.**
  - Dr. Sunding incorrectly assumes that risk preferences do not matter.

- **Number of participants**
  - Optimal deterrence theory typically considers one violator and society
  - Here more than one violator, Dr. Sunding should have accounted for interactions between the parties