Professor Brett Frischmann of Cardozo Law School has produced the definitive work exploring the economics, law, and public policy options for dealing with infrastructure. Frischmann defines infrastructure as those resources which satisfy the following three criteria:

1) The resource may be consumed nonrivalrously for some appreciable range of demand.
2) Social demand for the resource is driven primarily by downstream productive activities that require the resource as an input.
3) The resource may be used as an input into a wide range of goods and services, which may include private goods, public goods, and social goods. (61)

This definition differs to some extent from conventional notions of infrastructure but includes much traditional infrastructure like roads, communications systems, power grids, and the internet, but also encompasses non-traditional infrastructure such as lakes, ideas, basic research, certain industrial processes, and the legal system itself. The key is that infrastructure consists of inputs that can be consumed without limiting the consumption of others and that generate substantial downstream spillovers for the benefit of users and society at large.

For such infrastructure, Frischmann explores the underappreciated value of managing such systems as commons; shared resources where there may be a fee or price, but where access is non-discriminatory and not based on the identity of the user or the specified nature of the use. Frischmann’s demand side theory is thus a welcome addition to the traditional studies which tend to focus almost entirely on supply side considerations.

Frischmann meticulously builds his argument and then deals with complications, concessions, and exceptions. He sets the stage with chapters that provide an overview of infrastructure economics and their microeconomic building blocks. He continues with a detailed version of his model of infrastructure and the value of commons management for such resources. He follows with three important chapters where he responds to critics and concerns over pricing, congestion, and
producer incentives issues that may flow from commons management. Finally, he applies these complex, but rich, concepts to case studies of traditional infrastructure like roads and telecommunications, non-traditional infrastructure such as environmental and intellectual systems, and modern debates such as the internet and network neutrality.

This book will be of interest to economists, public policy specialists, academics, and economically sophisticated lawyers who want to explore deeply the economic implications of public and private markets, failed markets, and non-market ways of dealing with some of our society’s most valuable resources.

Spencer Weber Waller
Loyola University Chicago School of Law