wealth of descriptive statistics and a couple of attempts to estimate an attendance model, the contest nevertheless captures the audience's attention with two case studies. The histories of the FC Barcelona and of the Celtics vs Rangers rivalry are provided as evidence that attendance is not easily described by standard economic variables only. The authors readily acknowledge the importance of cultural determinants and also the sometimes questionable usefulness of available data, easily avoiding an otherwise obvious yellow card.

One has to be thankful of the verdict from Chapter 8 (information transmission and efficiency: share prices and fixed-odds betting) that there is no such a thing as a free kick in the economics of football. Otherwise, one suspects, the writers' opportunity costs would have been too high to write the book. Although some inefficiency in the calculation of odds posted by leading bookmakers is uncovered, the transaction cost system of sports betting—including fees and tax deductions—is such that no systematic winning strategy for exploiting these inefficiencies can be formulated. Any attempt to do so, according to an example provided in that chapter, would amount to dangerous play.

Before the final whistle, Dobson and Goddard make a diagonal cross from current issues to future prospects. They are well advised not to venture too far from their goal line in predicting a winning outlook for football as a whole, given the recently increasing financial woes of lower league clubs in a number of European countries. Even the members of the G-14 group of Europe's most powerful clubs in terms of revenue potential, including Real Madrid (estimated debt of $270 million) and Milan (believed to owe $156 million), saw the need in May of 2002 to agree on voluntary salary caps and a non-competition pledge for players' transfers to curtail exploding cost. Although this quasi-cartel is unlikely to prevail since the understanding has no legal force, it was another reminder in the wake of the collapse of the German Kirch Media Group (which had held the broadcasting rights to the *Bundesliga*) that some of the optimistic revenue forecasts in the last years might have been way offside. The closing chapter anticipates a number of these developments and advocates solid skill in distributing the ball rather then lightening attacks when it comes to securing the future financial health of European football.

Peter Reid, Sunderland's manager, is reported to once have said that 'In football, if you stand still you go backwards.' Dobson and Goddard have provided a rich toolkit that can be applied to advance this literature by poke tackling the economics of football in other countries as well. Their original empirical research and the occasional pressure training in advanced econometrics establish manifold opportunities to test the reported results across leagues and even across different sports. For that reason, this book is an on the mark forward pass for other players who are simultaneously economists and aficionados.

Game over, or, as one legendary football coach put it: 'After the game is before the game.'

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PRIVACY AND THE COMMERCIAL USE OF PERSONAL INFORMATION, by Rubin, P. H. and Lenard, T. M. Boston: Kluwer Academic Publishers, 2002, xxiii + 100 pp., USD 75.00; GBP 52.00 (cloth).

The subject of laws relating to privacy covers an enormous set of diverse subjects, from the constitutional battle over abortion laws and the right of an individual to be free of government intrusions, to the right of a person to be spared from unwanted junk mail from private firms (see, e.g., Posner, 1998). Within this broad spectrum of issues, the subject of the Rubin and Lenard (RL) book is closer to the latter end. Specifically, the book focuses on the legal regulation of the online collection and subsequent use of non-sensitive personal information by private commercial entities. The primary question asked by RL is whether or not there is any evidence that new government regulation of private firms' collection and use of non-sensitive online personal information is necessary. To focus on this issue, the book does not analyze the collection and use of sensitive information, such as social security and credit card numbers, nor is the analysis directed to the use of personal information by governments.

Such an analysis is of great topical interest. There have been scores of recent articles written on the subject.[1] Further, regulation of the collection and use of personal information both on and offline has been the subject of numerous regulations at the state, federal and international level. And there have been many recent proposals for further regulation of this area. RL provide a valuable and much needed counter to this mass of writings and legislation favoring privacy regulation by presenting a convincing case against the further regulation of the commercial collection and use of non-sensitive personal information. Based on their economic analysis of the market for non-sensitive personal information, they conclude such regulation is unnecessary, and unsupported by any evidence of market failures that would be addressed by further government regulation in a socially beneficial way. Moreover, the promulgation of new regulations may result in the suppression of the legitimate and valuable market in information that currently operates through the Internet.

From the standpoint of economics, the core problem is one of information, contracting and reputation (Posner, 1998). The RL analysis follows this basic paradigm. The widespread dissemination and resale of such non-sensitive personal information is of value to those who collect, use and resell it. It can also be, as RL correctly point out, of value to those who provide the non-sensitive personal information. The collection of such information allows more accurate targeting of ads, and can result in the individual receiving less frequent but more useful advertising. The revenues from the collection and sale of this information can also support the existence of useful products or services that are available without direct charge. That is, the collection and sale of non-sensitive personal information is the Internet version of the Nielsen television ratings. In addition, there can also be explicit or implicit payments for such information, in the form of discounts and/or through the existence of the product or service.

On the other hand, individuals may prefer to strictly limit how their personal information is disseminated and used. These preferences may be derived from the individual's fear that such information may be misused, may result from a desire to avoid bothersome e-mails or telephone calls, or may result from a desire to hide his activities from the public. In the absence of prohibitive transaction and information costs, the resulting bargain between firms that collect and use information and those from whom they collect such information should reflect these relative values. Under these circumstances, what personal information is collected and how it is used would simply be one of the terms contracted for in a voluntary exchange of goods, services, and information.

In the presence of positive transactions and information costs, the relevant regulatory issue becomes the standard inquiry into setting the correct default rule in the absence of a contract, and setting out minimum requirements for formation of an enforceable agreement to collect and use personal information. Indeed, neither side of the debateover the commercial use of personal information proposes to ban collection of such information. Rather, the basic disagreement is over what conditions, if any, would be required before collection and further use of such information is allowed.

As is the case in almost all legislative proposals to regulate this area, the focus of RL's analysis is on the four practices identified by the FTC as 'Fair Information Practices'. These four practices include notice, choice, access, and security. For each of the four basic practices, RL analyze the likely effect of requiring firms to adhere to such practices, and present credible arguments why such laws are unnecessary and potentially counterproductive.

For example, giving consumers notice of a firm's information practices can be an efficient practice in a wide range of contractual settings. However, the efficiency of a requirement that firms provide consumers with 'clear and conspicuous' disclosures of their information practices does not follow. First, such a requirement may be redundant, as firms, responding to market forces, already provide notice when valued by consumers. Second, such laws can require notice when the costs outweigh the benefits. For example, law can require notice in cases where notices are not valued by consumers or require that notice be provided in a way and is costly or of limited value to the consumer. Further, costly notice requirements may suppress new and valued uses of information.

Similar issues arise when examining choice or a requirement that consumers are offered the ability to control how their personal information is used. Much of the debate over this issue has centered around the method through which firms offer the consumer this choice—whether the consumer is allowed to opt-out (that is, further use of information by the firm is allowed unless the consumer requests that it not be used) or whether the consumer must opt-in (further use of information is prohibited unless the consumer affirmatively agrees to such use). As RL point out, the self-selection mechanism may make information collected from individuals required to opt-in more valuable, ceteris paribus, than information collected from individuals that must opt-out to prevent its further use. However, the fact that opt-in may be more valuable to some firms does imply that it is efficient to mandate its use. Because of transactions and information costs, much less information is likely to be collected using opt-in, and the resulting loss of information can be socially inefficient.

As noted above, RL purposely limit the scope of the book to an examination of non-sensitive information. RL suggest that the exchange of sensitive information presents 'separate issues' that are beyond the scope of the book.[2] While the focus of the book allows the authors to clearly analyze the issues involved when the information clearly falls in the non-sensitive category, many of the same issues of over-regulation and suppression of information markets present themselves in these situations, and could have usefully been integrated into their analysis. Indeed, the similarities may outweigh the differences. RL use examples from existing federal regulation of these areas to illustrate the costs of over-regulation.[3] And the reputational and market forces relied upon by RL to motivate firms to avoid information practices that are inconsistent with their consumers expectations would seem to apply to both sensitive and non-sensitive information.[4]

Indeed, the primary difference may be that, in contrast to the case of non-sensitive information, the expectation of the consumer is that sensitive information will not be used without explicit permission. That is, in the case of sensitive information, the efficient default rule is privacy rather that use, and laws that protect privacy may be efficient under these circumstances. The broader analysis could be used to usefully distinguish laws that protect medical or financial privacy from laws and proposed legislation to similarly protect non-sensitive information.[5]

RL favor federal preemption of state law in order to prevent over-regulation and the costs of having multiple and inconsistent state laws. However, it is not clear that they successfully make their case for federal preemption. Under their analysis, the problem is a contractual issue, an area of law that is largely governed by state law. Their analysis does not adequately explain why federal preemption is required in this area, but not other areas, of contract law. For example, they suggest that states would have an incentive to adopt regulations that imposed costs on out-of state producers.[6] But such regulations are already unlawful under the 'dormant' Commerce Clause of the Constitution.[7] And their analysis does not consider firms' ability to avoid local regulations,[8] including by contract,[9] the general benefits of federalism and jurisdictional competition[10] or the costs of relying on federal regulation of this area.[11]

Generally, this is an extremely useful book for those interested in gaining a working knowledge of the important economic issues involved in the Internet privacy debate, and should be on the recommended reading list for both policy makers and academics.

NOTES

1. For a partial listing, see Ribstein and Kobayashi (2002).
2. The authors correctly note that the primary issue often identified with proposals to limit the collection and use of information is identity theft. Given the book's focus on non-sensitive personal information (which would not include social security numbers, credit card numbers, medical and other sensitive personal information), problems of identity theft are tangential to the debate over legislation protecting non-sensitive information.
3. See, e.g, RL at 64 (discussing notice requirements contained in the Gramm–Leach–Bliley Act,).
4. RL at 40–42.
5. For example, RL mention, but do not analyze the Video Privacy Act, a Federal law that regulates the disclosure of a customer's video rental history. See 18 U.S.C Section 2710. Under the Video Privacy Act, disclosure that a customer requested or obtained a specific title requires opt-in consent, in writing, and at the time such a disclosure is sought. However, opt-out disclosure of the subject matter is allowed for the exclusive use of marketing goods and services directly to the consumer. Given that rental history would seem to be the type of non-sensitive marketing information that is the subject of the RL book, the strict opt-in requirements are inconsistent with the RL analysis. And while the use of opt-out information covered by marketing exception would be allowed by RL under their analysis, their analysis would not explain why a specific law covering this area would be required.
6. RL at 79–82.
7. U.S. Constitution, Art. I, cl. 3.
8. Indeed, this problem is a global one. For example, the French court ordered Yahoo to limit display of Nazi memorabilia and artifacts, which is illegal under French but not U.S. laws. A U.S. court ruled that Yahoo was not bound to comply with the French court's order. See Yahoo!, Inc. v. La Ligue Contre Le Racisme et L'Antisemitisme, 169 F.Supp.2d 1181, (N.D.Cal.,2001).
9. See Lieschke v. RealNetworks, Inc. 2000 WL 198424 (N.D. Ill, February 11, 2000) (enforcing contractual choice of Washington State law and forum). See generally, Ribstein and Kobayashi (2002).
10. See generally, Ribstein and Kobayashi (2002).
11. Indeed, as noted above RL use existing federal laws to illustrate the costs of regulation, and there has been much criticism of federal regulations of privacy. See also Cate (2001) for a critical analysis of existing federal privacy regulations.

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