



Editor at Vail Daily

Now RED says that ERS is a “fit” for our local economy; does this mean that there exists so much demand for consumer goods and services here in the Eagle valley that RED sees that niche in the market, and seeks to successfully supply the facility to meet such an abundant demand? In other words, “build it, and they will come! RED has a different slant on the law of supply and demand, for demand usually precedes the supply in a rational world; since there is no current demand for its product, RED must resort to economic tools such as: below market pricing, below cost pricing, uniqueness of product or service, and lastly, governmental protectionism.

If ERS can undercut the market price for the same goods and services that exist in its competitive arena (Glenwood Springs, Avon, Grand Junction, etc.) it can siphon off business; but the discount in prices must of necessity be substantial considering the sparse population, distances and recession. The “big box” stores of ERS could resort to “below cost” pricing in an endeavor to ruin or eliminate what existing competition there is in its trade area; this tactic however might run afoul of anti-trust and/or fair trade laws, both federal and state; I really can’t see corporate retailers at ERS colluding to create demand in this fashion; so that tool might not be feasible or prudent.

RED and its prospective **tenants**, for the sake of argument, and assuming that the ERS project is so unique in character and attributes to the extent that it has no competition anywhere, may attract consumers that need or desire their unique goods and services simply because they cannot procure them elsewhere, and accordingly bring a demand where none existed before. Query, is the ERS project that much different than other malls in the area or state? It doesn’t appear so! The only area in which the ERS project would be unique is in Eagle itself, since it is corporatism in concept and inimical to the vision of the Eagle Area Community Plan – Eagle is main-street, and not corporate America with its chain stores and bulk.

Demand for goods and services can be fomented by special governmental perks, **tax concessions**, benefits and protectionism; this is also known as “subsidy” or ceding to one private enterprise (ERS) a competitive advantage to the detriment of its competitors (Everything Store, Everyday People, Alpine Ambiance, etc.); we hear of such phrases as “too big to fail” (AIG, Goldman Sachs, BOA, etc.), “sweet heart loans” (Solyndra) or “blighted area” to garner special dispensation for zoning, tax deferrals, grants and privileges. Just what is the “tie that binds” between RED and the Eagle Board? I can’t imagine how these prospective tenants of ERS will create the demand that they need to survive. To quote Adam Smith, “this is one of those cases in which the imagination is baffled by the facts”.

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