

## **El Tepual Airport Expansion, 1989**

Summary:

The aim of this project was to propose, in general outline, alternatives for developing the El Tepual Airport so that the authority in question could choose the course of action most in the national interest and determine the best time to make the proposed investment.

The assessment analyzed each of the main airport facilities to determine their condition and capacities and forecast future demand for airport cargo and passenger services.

Regarding future demand for cargo services, the project confirmed that exporters (fresh berry and salmon producers) used the Arturo Merino Benítez Airport and would continue to do so as long as ground transport to Santiago remained cheaper than air transport and as long as Arturo Merino Benítez Airport could meet their needs.

The study therefore centered on determining the demand for passenger airport services and commercial airline services. Notable aspects of this effort were: (1) the way in which the study measured the facilities needed to meet those demands; (2) the introduction of the concepts of “comfort” and “time for service” to express the capacity of the facilities to meet demand; and (3) the way in which the intangible benefits of comfort, aesthetics, and independence were quantified, as the development alternatives proposed for the airport differed in how effectively they delivered these intangible benefits.

Different development alternatives were formulated, ranging from optimizing the current situation with marginal investment in the airport’s facilities, to moving the

airport east of its current location in order to separate the commercial zone from the adjoining Chilean Air Force (FACH) base. The most profitable alternative, in terms of measurable benefits, was the optimization of the current scenario for the passenger terminal and the expansion of the current platform for servicing airliners.

Nevertheless, in its decision the government had to consider the intangible benefits of the alternatives analyzed, as some of the projects offered: (1) greater passenger comfort (airport terminal and expanded platform); (2) better aesthetics and greater flexibility with a new eastern terminal and an expanded platform; and (3) greater independence and opportunities for growth with a new airport to the east.