



UPS Response to CAP 3250: Review of TDR 1991 – Consultation on Draft Advice to Secretary of State

June 2026

Background

UPS is one of the world's largest express delivery and logistics companies, playing a vital role in the collection, warehouse and delivery of goods. Globally we have over 460,000 employees and our UK operation includes more than 85 operating facilities, approximately 8,000 employees and a fleet of more than 2,900 vehicles.

UPS provides critical national and international time sensitive delivery services for businesses of all sizes. With one of the largest airlines in the world, UPS currently operates air gateways at East Midlands Airport (EMA), Stansted (STN), Edinburgh (EDI) and Belfast International (BFS) connecting businesses (exporters and importers) with the rest of the world. UPS opened an expanded air hub operation at EMA in 2021 which reflected a £138m investment, supporting over 600 jobs and operating daily direct flights to the US and Cologne, as well as intra-UK flights.

UPSCO (UPS Airlines), with one of the youngest fleets in the industry contributes to aviation sustainability efforts by operating a fuel-efficient fleet and effectively managing aircraft and air hub operations. As the operator of one of the world's largest cargo fleets, UPS also leads the industry in deploying noise and emission reduction technologies and by executing noise reducing flight procedures. We continue to make significant investments in new, modern aircraft including orders.

Support for Full Revocation of the TDR

UPS welcomes the CAA's conclusion that the TDR is no longer justified within the current regulatory framework and should be revoked. We believe that the original rationale for the TDR is now out of date and needs to be revoked given the very different aviation landscape we are now in. While this framework reflected the aviation market of the early 1990s, we now believe

that this creates a material barrier to entry for express air cargo operators at Heathrow and Gatwick and restricts the ability of businesses in the South of the UK to access time-critical international connectivity.

UPS also supports the response submitted by AICES (The Association of International Courier and Express Services) and the Cargo Airline Association.

Timelines

While we support the draft recommendations, we do not see the need for an extended implementation period. The CAA's own analysis within the issued draft advice concludes that revocation is unlikely to have a material impact on airport capacity utilisation or airport operations. If this is the case, there is no justification for a prolonged transition period and if a transition is needed it should be clearly defined and time limited.

South East Capacity and Connectivity Requirements

While we understand that it is likely that cargo growth will continue to occur at airports outside of Heathrow and Gatwick, there is currently very little capacity for cargo flights in London and the South East, especially in the night period. While East Midlands Airport (EMA) is critical for cargo movements, the sector cannot rely on one airport for all dedicated cargo movements from a resiliency perspective as well as from a just in time objective. To serve customers in the London and the South East from EMA, will mean more trucks on road and potential longer time in transit for goods to move to and from customers in this region. In order to support the UK's trade ambitions, which will involve an increase in exports and imports, there needs to be the corresponding transport infrastructure to support this growth. By not tackling the capacity issue at airports in the South East, this will ultimately affect service quality, customer choice and business competitiveness as well as economic growth.

Condition 4

One concern that we have is that the removal of the TDR may lead to the introduction of alternative mechanisms that effectively recreate the same restriction through different means, such as higher airport charges for cargo.

The CAA's draft advice correctly recognises that cargo services can deliver significant economic value and that, in some circumstances, may generate greater economic benefit than marginal passenger operations. It is important to note, that cargo services deliver this value on a small number of movements when compared to passenger. For example, at STN, dedicated cargo flights make up just under 12% of slots in the night period. If I look at one week in March, one of our flights going from STN to Germany will carry approx. £54m worth of goods. Express and all-cargo services support high-value exports, advanced manufacturing, pharmaceuticals, e-commerce, supply-chain resilience and the competitiveness of UK businesses. The value generated by these services extends well beyond the airport locality and contributes directly to wider Government objectives for economic growth, trade and productivity.

We are starting to see airport charges rise which seem to impact cargo operators disproportionately based on when we operate and the type of aircraft we operate. For example at STN we have seen:

- An increase of 3.8% to the night noise surcharge for QC2 aircraft.
- A new 101-250 ton category, with approximately 33% higher runway fees than the previous category. This directly impacts cargo carriers which use intercontinental freighters to maximise capacity for cargo whilst ensuring less planes in the sky.
- The current night multiplier of 1.5 (Night Runway charge being 50% higher than Day) is proposed to be increased to 1.6 (Night Runway charge becomes 60% higher than Day).

These increased charges all directly impact cargo and we are concerned that even with the removal of TDR, we may be effectively priced out of operating at certain airports.

Local Rule and Airport Coordination Governance

We recognise that local rules, airport governance arrangements and coordination committee structures sit outside the formal scope of this review. However, the consultation has highlighted their continuing importance.

We are concerned that there is another layer of restriction that will remain in place when the TDRs are removed. Local planning restrictions also play a role in how capacity is allocated and many airports, such as STN, have cargo movement limits. Gatwick also has local arrangements that have restricted cargo access beyond the TDR itself.

UPS also believes that airport co-ordination committees need to have an independent voice that can ensure that some sectors, such as express cargo, are not disadvantaged given the limited voting power that we have. An independent voice, such as the CAA, can ensure there is transparency and accountability as well as alignment with wider national priorities and objectives.

The Worldwide Airport Slot Guidelines recommend that Level 3 airports establish coordination committees with participation from the national aviation authority or government, either as a member or as an observer, to ensure accountability, transparency and alignment with public policy objectives.

Conclusion

UPS strongly supports the CAA's recommendation that the Traffic Distribution Rules 1991 should be revoked with immediate effect and supports Option 1 as set out in the draft advice.

In summary, we would highlight the following key points:

- Capacity and connectivity in London and the South East is critical for cargo operators as well as ensuring the UK has a resilient aviation network that supports international trade and economic growth objectives. Consolidating all dedicated cargo at one airport is not the answer.
- It is crucial that upon removal of the TDR, other restrictions are not allowed to take its place either through local planning restrictions or punitive airport charges that disadvantage cargo operators.
- Airport co-ordination committees need to have an independent voice, such as the CAA, that can ensure that some sectors, such as express cargo, are not disadvantaged given

the limited voting power that we have. This can ensure transparency and accountability as well as alignment with wider national priorities and objectives.

For more information:

Sarah Bell
Public Affairs Director, UPS
sarahbell@ups.com