



CARGO AIRLINE ASSOCIATION
THE VOICE OF THE AIR CARGO INDUSTRY

26 June 2026

Economic Regulation and Consumer Policy
Civil Aviation Authority
Aviation House, Beehive Ring Road
Crawley, West Sussex RH6 0YR
By email: economicregulation@caa.co.uk

Response to CAP 3250: Review of the Traffic Distribution Rules 1991 — Consultation on Draft Advice to the Secretary of State

Dear Sir or Madam,

The Cargo Airline Association (CAA) appreciates the opportunity to provide comments on the Review of the 1991 Traffic Distribution Rules on behalf of its members.¹ Our members operate both integrated express and heavy freight all-cargo services into and out of the United Kingdom, recognizing the United Kingdom as an essential key in their global aviation networks. We concur with the UK Civil Aviation Authority's (UK CAA's) draft advice that the Secretary of State should revoke the 1991 Traffic Distribution Rules (TDRs). While supporting this proposal, we also urge the UK CAA to go further by treating revocation as a step towards aviation liberalization, advancing the principles of the U.S.-UK Air Transport Agreement.

Support for Revocation of the 1991 TDRs

CAA agrees with the assessment that the TDRs are an antiquated mechanism that no longer reflects either the regulatory framework or the aviation market as it exists now. We also note that the TDRs are in many ways unnecessary within the global modern slot allocation regime. Fundamentally, we are in favor of revocation of the TDRs to end their distortion of airport capacity with respect to whole-plane, or all-cargo, operations.

As demonstrated in the review document, the TDRs operate as a near-total exclusion of all-cargo operators from peak periods at Heathrow and Gatwick. For time-definite, next-day express networks, exclusion from access is commercially equivalent to exclusion from the airport altogether. The TDRs are inconsistent with not only the Worldwide Airport Slot Guidelines (WASG), but also the UK Slot Regulations, both requiring that capacity at congested airports be allocated in an open, fair, transparent, and non-discriminatory manner.

By foreclosing meaningful access to Heathrow and Gatwick, the TDRs pushed all-cargo operators to airports more distant from the Southeast of England where many key import and export customers are located. The additional distance has resulted in excess infrastructure costs

¹ CAA members include Atlas Air, Inc., Federal Express Corporation, United Parcel Service Co., Amazon, DHL Express, and Kalitta Air.

in the form of feeder roads, shipper costs, emissions, and unnecessary complexity for time-sensitive shipments. The review document correctly noted that the TDRs prevent capacity from being allocated for its highest-value use. The UK CAA correctly identifies that while passenger services often represent a high-value use of capacity, there are cases where time-sensitive, high-value cargo operations may deliver greater economic benefit than certain lower-density or lower-load passenger services.

Globally, regulators recognize that both passenger operations and all-cargo operations represent high-value use of constrained airport capacity, and slot allocation can be efficiently used to allow for fair competition that not only drives network efficiency but benefits UK consumers. The TDRs prevent such economically efficient outcomes by precluding even the possibility of market-based substitution. Denying all-cargo operators historic slot rights has dampened investment by all-cargo carriers in the UK, as noted by the subsequent stagnation of cargo traffic volume post-COVID in the United Kingdom.

Revocation furthermore will reduce the regulatory burden for the UK CAA, Airport Coordination Limited (ACL), and airlines alike, supporting the Government's wider commitment to cut the administrative cost of regulation.

CAA and its members therefore support full revocation rather than the alternative options considered in the review document. For example, extending a 1991-style ban to additional airports would not alleviate the distortions across a wider part of the London system. It would only continue constraints and discrimination against all-cargo operators while the UK air cargo sector is already operating in a more constrained and costly environment than its European and global competitors. Allowing all-cargo operators to compete for available slots under the same transparent and non-discriminatory allocation process as passenger airlines will strengthen supply chains, support UK businesses, and encourage continued investment in the UK's aviation sector. Revocation allows airport capacity to be allocated under the UK's existing slot allocation framework without excluding an entire class of operator.

Implementation and Transition

The review document indicates that the UK CAA's preferred recommendation is for the Secretary of State to allow a reasonable transition period, for example two scheduling seasons, before revocation takes effect. We understand the UK CAA's wish to give airports and airlines time to adjust; however, the sector has already operated under these restrictions for 35 years, and the cost of further delay falls disproportionately on all-cargo operators seeking to plan investment, networks, and customer commitments. Therefore, while CAA does not believe a transition is necessary, if the Secretary of State chooses to implement one, then the goal should be to keep any transition period as short as practicable. Ideally, any transition should be no longer than a single scheduling season so that operators benefit from revocation promptly, while still giving ACL and the airport operators sufficient notice to adjust their processes. This should provide sufficient time for airports to remove any local rules in place that support discriminatory treatment of all-cargo carriers vis-à-vis passenger carriers.

The TDRs do not operate in isolation. The consultation process highlighted the importance of local rules, airport governance arrangements, and coordination committee structures even while sitting outside the formal scope of this review. At Heathrow and Gatwick, local rules play a significant role in determining how scarce capacity is allocated, how ad-hoc access is managed, and how different categories of operations are treated. If local rules continue to produce outcomes that disadvantage all-cargo operations in practice, the removal of the TDRs will be considerably less effective. For example, at Stansted (not covered by the TDRs), local planning rules limit cargo movements. If the TDRs are revoked, it is key they are not replaced by other restrictions or costs. We recommend the UK CAA have an independent role on coordination committees so it could ensure all-cargo operators are not disadvantaged due to the limited voting power based on slots. Using Stansted as an example, Ryanair has approximately 80-85% of slots whereas express cargo has around 15%, making any voting power too minimal to influence decisions.

Condition C4 of HAL's License

We note the UK CAA's preliminary view that Condition C4 of Heathrow Airport Limited's (HAL) license, which prevents HAL from charging all-cargo flights more than equivalent passenger flights, may no longer be necessary given the wider non-discrimination obligations introduced since 2003. Revocation of the TDRs is only beneficial to all-cargo operators if any new access to capacity is not then priced out of reach through asymmetric or punitive cargo-specific charges, which HAL already attempted to propose in 2023. We support the UK CAA exploring a modernized, cost-reflective alternative to Condition C4, but only on the basis that it preserves an equivalent, enforceable safeguard against discriminatory treatment of all-cargo operations. The review document notes airports retain the ability to use other, proportional, market-based mechanisms to reflect differences in infrastructure use and costs, but, of course, subject to the applicable regulatory restrictions.

Revocation as Part of Recognizing Open Skies and Economic Liberalization

Finally, we would encourage the UK CAA to view the revocation of the TDRs as one part of a broader liberalization for the UK air cargo industry, rather than as an isolated, domestic slot-policy change. While air cargo continues to increase globally, the review document noted UK air cargo volumes as relatively flat since COVID. Expanded access for all-cargo operators will boost the UK's ability to harness to the efficient movement of high-value, time-sensitive goods.

When the TDRs were implemented in 1991, the concept of Open Skies and aviation market liberalization did not exist in the aviation marketplace. The 1992 U.S.-Netherlands Air Transport Agreement ushered in a global wave of liberalization in the aviation industry that spread relatively rapidly between the U.S. and many European nations. With the U.S.-EU Open Skies agreement in 2007, the hyper-restrictive bilateral regime under the U.S.-UK Air Transport Agreement (known as Bermuda II) came to an end. In that newly liberalized regime, U.S. carriers did not press their concerns about market access restrictions through government channels. Nor did they press concerns through government channels a decade later when the countries reaffirmed their continued mutual desire to guarantee liberal market access for both U.S. and UK airlines through the U.S.-UK Air Transport Agreement in 2021. U.S. all-cargo

carriers, however, did raise these market access concerns with the TDRs, and our members are glad to see the positive response by the UK government. Revoking the TDRs and allowing all-cargo operators the same rights to obtain and retain historic slots that passenger carriers enjoy supports the UK obligation under Article 11 of the U.S.-UK Air Transport Agreement to ensure a fair and equal opportunity for all airlines to compete.

Conclusion

CAA and its members support the UK CAA's draft advice to revoke the TDRs in full, would prefer revocation occur without transition or with the shortest practicable transition period, and ask the CAA to ensure and monitor that any replacement for Condition C4 preserves robust, non-discriminatory protection for all-cargo operators. We believe the revocation of the TDRs demonstrates the UK is adhering to its obligations under the U.S.-UK Air Transport Agreement.

We would welcome the opportunity to discuss this response further and thank the UK CAA for its engagement with industry throughout this review.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Thibodeau', with a stylized, cursive script.

Jennifer Thibodeau
Managing Director, Safety and Regulatory Policy