



DHL response to CAP 3250: Review of the Traffic Distribution Rules 1991 – Consultation on Draft Advice to the Secretary of State

26 June 2026

Please find below DHL's input to CAP 3250: Review of the Traffic Distribution Rules 1991 – Consultation on Draft Advice to the Secretary of State. The contents of this submission must be treated as highly confidential and not disclosed without the prior consent of DHL. For further information about the contents of this submission, please contact Fionnuala Horrocks-Burns, Public Affairs Director, at fionnuala.horrocks-burns@dhl.com or 07971 539739.

About DHL:

DHL's family of divisions offer an unrivalled portfolio of logistics services spanning four key product offerings including international express parcels, supply chain services, and intercontinental air and sea freight. We are part of the global DHL Group, which employs approximately 600,000 employees in over 220 countries and territories worldwide, connecting people and businesses securely and reliably, and enabling global trade flows. In the UK, we employ approximately 45,000 people across 400 locations. The contents of this submission will focus predominantly on DHL Express operations in the UK.

Summary of DHL position:

- DHL strongly supports the CAA's proposed recommendation that the TDR should be revoked in full.
- DHL agrees fully with the CAA's rationale for proposing revocation. DHL regards the 1991 TDRs as outdated and anti-competitive regulation.
- DHL welcomes the CAA's assessment that, in practice, the revocation of the 1991 TDRs is unlikely to have a material impact on how capacity is used at Heathrow and Gatwick in the short to medium term and is likely to be fully compatible with future expansion of airports in the South East of England.
- It is for this reason DHL's preference is for immediate revocation. We do not however oppose the CAA's proposal for a reasonable transition period and suggest two scheduling seasons strikes the correct balance.
- In revoking the 1991 TDRs it will be important to ensure that equal eligibility for historic precedence is applied to ensure all-cargo operators can retain and build slot portfolios under the same principles as passenger airlines.
- In respect of Condition 4 (C4) in HAL's Licence, DHL does not regard this as a critical part of this advice to the Secretary of State. DHL notes there is a wider review of Heathrow's economic regulation currently ongoing in light of the expansion project. DHL believes C4 should be considered as part of that review rather than in respect of the 1991 TDRs.

DHL response:

Revocation of the 1991 TDRs

DHL strongly supports the CAA's proposed recommendation that the TDRs should be revoked in full. As set out in our response to the call for evidence earlier this year the 1991



TDRs are outdated and anti-competitive; they prevent all-cargo airlines from competing on a fair and equal basis with passenger airlines.

DHL welcomes the CAA's rationale for proposing revocation. In particular DHL welcomes the CAA's finding that the 1991 TDRs do not recognise the economic value of all-cargo services. This is an important acknowledgement of the role that express services play in supporting UK exports, international competitiveness, supply-chain resilience and economic growth.

Furthermore, DHL agrees that existing alternative regulatory mechanisms are available to ensure efficient use of airport capacity. The Worldwide Airport Slot Guidelines provide for equal treatment of passenger and cargo services at slot coordinated airports. The UK Regulations should align with this global standard and airport specific rules such as the 1991 TDRs should be abolished.

In revoking the 1991 TDRs it will be important to ensure that equal eligibility for historic precedence is applied to ensure all-cargo operators can retain and build slot portfolios under the same principles as passenger airlines.

Additionally, neutrality across operator types must be maintained, with parking and other capacity elements managed through independent coordination. Ad hoc local rules that disadvantage air cargo or other airline types should be avoided to ensure fairness and efficiency.

Implementation

DHL regards the 1991 TDRs are outdated and anti-competitive regulation as they prevent all-cargo airlines from competing on a fair and equal basis with passenger airlines. The TDRs have a direct impact on DHL's business at Heathrow, preventing us from securing additional historic slots, hampering our operations and growth opportunities. As such, DHL's preference is for immediate revocation in order to create a level playing field.

The CAA's own analysis concludes that revocation is unlikely to have a material impact on airport capacity utilisation or airport operations. Given this conclusion, DHL sees little evidence to support a prolonged transition period.

DHL does not however oppose the CAA's proposal for a reasonable transition period and suggest two scheduling seasons strikes the correct balance. It is important that any transition period is tightly defined, time-limited and focused solely on administrative implementation. It should not become a mechanism through which existing restrictions are effectively preserved for a further extended period.

Condition 4 of HAL's Licence

DHL notes the question posed by CAA about whether Condition C4 continues to be an appropriate approach or whether an alternative mechanism would be preferable. DHL does not regard the question of Condition C4 a critical part of this advice to the Secretary of State.



Given we have no reliable basis for assessing the impact of any new charging structure it is difficult for DHL to provide a clear view on the question at this stage. We can however reflect on the current charges at Heathrow and the impact on our business. Heathrow is already by far the most expensive airport in our entire route network. Against this background, any potential changes to the charging structure should be examined very carefully.

Despite the existence of the other non-discriminatory obligations HAL is currently subject to, it is DHL's experience that the existing charging structure at Heathrow results in a disproportionate impact on all-cargo operators. Currently DHL pays a proportionate flat-rate passenger fee per departure. The charges are differentiated by noise categorisation. UK airport charging structures, at Heathrow and beyond, are regularly designed to incentivise quieter, new generation aircraft without any consideration for the market reality for freighters. As set out in our earlier submission DHL's fleet – and that of other integrators – is at least a generation behind that of commercial passenger airlines. This is a reflection of the integrator business model and the market reality for freighters – not a choice. DHL's fleet is comprised of passenger to freight conversions and the latest dedicated freighter aircraft models. Passenger to freighter conversions mean all-cargo operators are typically operating aircraft for an additional 15-20 years. New generation aircraft is always designed with passenger operators in mind due to the volume of aircraft required. Given noise charges are the main cost driver at Heathrow we already see a disproportionate burden placed on our operations in comparison to passenger airlines. It is for this reason we support the retention of Condition C4 as it offers some protection against differentiated pricing for air cargo operations.

In addition, DHL notes there is a wider review of Heathrow's economic regulation currently ongoing in light of the expansion project. It is our view that this could be a more appropriate place to consider the appropriateness of Condition C4 rather than in respect of the 1991 TDRs.