



Unrestricted

Matthew Cherry
Economics Director
Economic Regulation and Competition Policy
Consumers and Markets Group
UK Civil Aviation Authority
11 Westferry Circus, Canary Wharf,
London,
E14 4HD

Date 26 June 2026

Email: economicregulation@caa.co.uk

Dear Mr Cherry,

CAP 3250: Consultation – Review of the Traffic Distribution Rules 1991

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 350 airlines over 80% of global air traffic. IATA's member airlines include many that operate flights to and from the UK, including UK airlines British Airways, Virgin Atlantic, Loganair, DHL Air UK as well as the majority of foreign-based airlines that serve the UK market. IATA supports many areas of aviation activity and helps formulate industry policy on critical aviation issues to drive a safe, secure, and a sustainable industry.

IATA appreciates the opportunity to provide further input to the CAA's review of the Traffic Distribution Rules 1991 (TDRs).

For the reasons stated in our response to the Call for Input, IATA welcomes this review and strongly supports aligning UK slot policy with the Worldwide Airport Slot Guidelines (WASG) to ensure that scarce airport capacity is allocated efficiently, transparently, and without discrimination. The 1991 TDRs, introduced in a very different market context, conflict with these principles and impose significant barriers to entry and expansion for air cargo at London's most congested airports.

In summary of IATA's position:

1. We support the draft advice to the Secretary of State for the reasons more fully set forth in our response to the Call for Input.
2. We do not support any amendments to condition C4 in HAL's license at this time.

Should you require further clarification or wish to discuss our views in detail, we would be pleased to arrange a meeting at your convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lara Maughan'.

Lara Maughan
Area Manager, UK and Ireland

IATA Recommendation

- 1. IATA supports the draft advice recommending the revocation of the 1991 TDRs to ensure Heathrow, Gatwick, and Stansted operate under WASG-consistent, operator-neutral rules. This should include equal eligibility for historic precedence for both cargo and passenger operations. Consideration should be given to the UK aviation environment and the specific uncertainties at these airports considering policy and government ambition.**

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.

IATA supports the draft advice for the reasons set forth in our response to the Call for Input. We have not repeated those statements in this reply, but would ask you refer to them as they are still relevant and reflect our position.

IATA agrees with the CAA's conclusion that the existing slot allocation framework ensures that airport capacity is used efficiently. Independent slot coordination, the seasonal airport capacity declaration process, and secondary slot trading, already provide established mechanisms for allocating airport capacity and allowing airports and airlines to respond to changing market conditions and consumer demand. These mechanisms are better suited to ensuring optimal use of scarce airport capacity than restrictions that exclude or discriminate against certain types of operators.

- 2. We do not support any changes to condition C4 in HAL's Licence at this time, as it is critical to ensure that charges remain non-discriminatory between business models.**

The United Kingdom's current regulatory framework leaves significant freedom for regulated operators to adjust the structure of charges. This can mean that charges are ultimately not cost-related. In the case of cargo flights, this by nature creates a discriminatory situation and influences the competitive market. Full freighter cargo aircraft will use runways and parking stands, but do not use passenger terminals. If the charges are not broadly reflective of underlying costs, this implies cross subsidies between passenger and cargo aircraft. This affects the competitive market for cargo transport, as a significant share of air cargo is transported in the belly space of passenger aircraft. Those airlines may therefore face a structural advantage or disadvantage compared with their competitors for exactly the same service.

Condition C4 is insufficient, as all aircraft receiving the same type of operation should pay the same charges – however in no case should it be removed as it remains the only safeguard to ensure that HAL does not further abuse of its market power and influence competitive outcomes by raising charges on cargo airlines. This would violate the definition of Cost-Relatedness in ICAO's policy DOC 9082, and deviate from ICAO's recommendations in DOC 9562. It is important that the removal of the TDR is not accompanied by the introduction of alternative mechanisms that effectively recreate the same restriction through different means.