

CAP 3250: Review of the Traffic Distribution Rules 1991: Consultation on Draft Advice to the Secretary of State – Civil Aviation Authority

June 2026

About Virgin Atlantic

1. Virgin Atlantic was founded by entrepreneur Sir Richard Branson in 1984, with innovation and amazing customer service at its core. In 2025, the airline was voted Britain's only Global Five Star Airline by APEX for the ninth year running in the Official Airline Ratings. Headquartered in London, it employs 9,250 people worldwide, flying more than 6 million customers to 28 destinations throughout the year.
2. Alongside shareholder and partner Delta Air Lines, Virgin Atlantic operates a leading transatlantic network, with onward connections to over 200 cities around the world. In 2020, Air France-KLM, Delta Air Lines and Virgin Atlantic launched an expanded Joint Venture, offering a comprehensive route network, convenient flight schedules, competitive fares and reciprocal frequent flyer benefits, including the ability to earn and redeem miles across all carriers. Virgin Atlantic joined SkyTeam in 2023, as the global airline alliance's first and only UK member airline, enhancing SkyTeam's transatlantic network to and from London Heathrow and Manchester.

Executive Summary

3. Virgin Atlantic ("VAA") welcomes the opportunity to respond to the Civil Aviation Authority ("the CAA") consultation on its draft advice to the Secretary of State regarding the Traffic Distribution Rules 1991 ("the TDRs").
4. We support the CAA's recognition of several points raised in Virgin Atlantic's response to CAP 3202. In particular, the acknowledgement that Heathrow and Gatwick remain highly capacity constrained; that slot scarcity and ATM limits – rather than the TDRs – are the principal constraints on capacity today; and that revocation of the TDRs is "*unlikely to materially affect*" how capacity is used at Heathrow or Gatwick in the short to medium term.
5. With these points of agreement in mind, Virgin Atlantic does not consider that the consultation has established a clear case for why revocation is necessary at this time, rather than being considered alongside wider slot reform and future airport expansion decisions. For similar reasons, Virgin Atlantic also believes that Condition 4 (C4) of Heathrow Airport Limited (HAL)'s licence should not be revoked at this stage, unless the CAA can provide a clear justification for doing so.
6. Moreover, CAP3250's overview of stakeholder responses does not demonstrate a clear consensus in favour of revocation of the TDRs (or any calls for C4 to be removed). Concerns regarding revocation were raised by airlines, airport operators, organisations supporting freighters and trade associations, indicating that the issues identified are not limited to the interests of incumbent passenger airlines.

Virgin Atlantic's position on the TDRs

7. Virgin Atlantic's position remains as set out in our response to CAP 3202. We do not seek to repeat that submission in full, but continue to have the following concerns regarding revocation of the TDRs, and therefore the CAA's draft advice to Ministers:
 - The core principle underpinning the TDRs remains valid: where airport capacity is constrained, passenger services should continue to be prioritised over freighter operations.
 - Heathrow's primary constraint is its ATM cap, slot scarcity and associated infrastructure constraints, rather than the TDRs themselves. However, the current absence of available

capacity does not, in itself, justify revocation of the TDRs. A framework that has limited practical effect in current conditions may still retain value in future as the market changes.

- Decisions regarding the future of the TDRs should therefore be considered alongside wider slot policy changes, rather than in isolation.
- Future runway capacity expansion at Heathrow or Gatwick may require a revised approach to traffic distribution. However, the appropriate framework cannot be assessed until there is greater clarity regarding the timing, scale and allocation of that capacity.
- Any review of the TDR framework should be based on clear evidence of a policy problem, and a clear understanding of the benefits that reform is intended to deliver.

The case for change remains unclear

8. As Virgin Atlantic does not support the CAA's recommendation that the TDRs should be revoked ahead of new capacity from airport expansion coming online, we therefore do not endorse the draft advice to ministers. As per our Executive Summary, the consultation acknowledges that Heathrow (and Gatwick) remains severely capacity constrained, that slot scarcity is the principal determinant of airport access, and that revocation is unlikely to materially affect capacity allocation in the short to medium term. However, the consultation does not clearly explain why these conclusions support immediate revocation. If the TDRs are not currently driving capacity allocation outcomes, and if revocation is unlikely to materially change those outcomes, Virgin Atlantic does not consider that the case for a regulatory intervention has been established.
9. The consultation also places significant weight on potential economic benefits arising from future allocation of capacity. While the consultation refers to circumstances in which cargo services may generate greater value than passenger services, it provides limited evidence as to the scale or justification of that assessment, particularly given that around 70% of all UK air cargo is carried in the bellyhold of passenger aircraft. The consultation also fails to provide evidence regarding potential impacts of increased freighter operations on passenger connectivity, network decisions, airport resilience or consumer outcomes, and limited evidence that revocation would result in meaningful new freighter access to Heathrow or Gatwick in practice given the current scarcity of slots.
10. Virgin Atlantic also notes that the stakeholder responses to CAP 3202 revealed substantial divergence of views. Concerns regarding revocation were raised not only by passenger airlines, but also by Heathrow Airport Limited, Gatwick Airport Limited, trade associations including AirportsUK and the Regional and Business Airports Group, and organisations supporting freighters such as RiverOak Strategic Partners. We also note that, even among Logistics UK, there appears not to have been consensus on revocation (with CAP 3250 noting the body's membership had an "open-mind" on the issue). Despite representing different parts of the aviation sector, many of these organisations raised similar concerns regarding the use of scarce airport capacity, the importance of passenger connectivity, and the need to consider the future of the TDRs alongside wider slot policy and future airport capacity decisions.
11. Virgin Atlantic therefore remains unconvinced that the consultation has established a compelling case for revocation of the TDRs at this stage and would urge the CAA to reconsider immediate revocation.

Condition C4 of HAL's licence

12. Virgin Atlantic does not consider that the consultation establishes a clear case for amending or removing Condition C4 at this stage. Any review of Heathrow's charging framework should instead be considered separately (including through the ongoing review of Heathrow's economic regulatory framework), where the implications of any changes to airport charging structures can be properly assessed and consulted upon. We would also remind the CAA (as mentioned in our response to CAP 3202) that in previous consultations on aeronautical charges, Heathrow Airport Limited has sought to introduce additional charges for cargo operations, which have been repeatedly rejected.

Conclusion and next steps

13. Virgin Atlantic does not believe there is a clear and evidenced case for revoking the TDRs in current market conditions. We therefore continue to believe that revocation would be premature at this stage, and that it would be logical and proper that this issue be considered alongside wider slot reform, and within the context of airport capacity expansion.
14. However, if the CAA and Ministers decide to proceed, any revocation should be subject to an appropriate transition period and aligned with longer term consideration of slot regulations (which we understand is imminent following the publication of the Civil Aviation Bill), planning for new airport capacity (including the Heathrow Expansion National Policy Statement), and the ongoing review of Heathrow's regulatory framework (CAP 3251).

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