UK Civil Aviation Authority

Review of the Traffic Distribution Rules 1991: Consultation on Draft Advice to the Secretary of State

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Introduction and summary

1. Section 31 of the Airports Act 1986 ("the AA86") gives the Secretary of State ("SoS") the power to create traffic distribution rules ("TDRs"), which can restrict certain types of traffic from operating at certain airports serving the same area in the UK. TDRs can potentially be used to make best use of scarce airport capacity within a given area.

2. The Traffic Distribution Rules 1991 ("the 1991 TDRs")[1] currently specify that whole-plane cargo services, and general or business aviation ("GA/BA")[2], cannot be operated at Heathrow or Gatwick airports during periods of peak congestion, declared for each scheduling season by the CAA, without permission from the airport operator.[3]

3. A previous Minister for Aviation, on behalf of the SoS, wrote to us to request that the CAA reviews the 1991 TDRs. Under the AA86, before making (amending or revoking) any set of TDRs, the SoS must consult the CAA. In turn, before giving advice to the SoS, the CAA is required to consult as appropriate with airports and aircraft operators likely to be affected by the rules. This is the first time that the CAA has formally been asked to review the 1991 TDRs.

4. On 18 December 2025 we published a Call for Inputs[4] to help us develop our advice to the SoS. We received 23 responses.[5] Those responses are summarised in chapter 3, insofar as they relate to the 1991 TDRs. Appendix B lists all the organisations that responded to our Call for Inputs.

5. This document consults on our draft advice to the SoS on the 1991 TDRs, before we issue our final advice later this year.

Summary of our proposals

6. Following consideration of the responses to the Call for Inputs, **our draft advice for consultation is that the SoS should revoke the 1991 TDRs**.

7. The reasons we are proposing revocation are:

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1 Traffic Distribution Rules 1991 for Airports Serving the London Area, March 1991

2 GA/BA is defined in rule 6 of the 1991 TDRs.

3 Periods of Peak Congestion declared by the CAA in recent scheduling seasons are available at Traffic distribution rules | UK Civil Aviation Authority.

4 CAP 3202: "Call for Inputs – Review of the Traffic Distribution Rules 1991", available at www.caa.co.uk/CAP3202

5 The non-confidential versions of those responses are also available at Traffic distribution rules.

- the 1991 TDRs were introduced in a markedly different regulatory and market context than the one that is relevant today and in the future. The effects of the 1991 TDRs now substantially overlap with, and in some respects cut across, the modern slot-allocation framework;
- we consider that the 1991 TDRs represent a disproportionately rigid intervention that excludes certain categories of traffic, irrespective of economic value or operational context;
- 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;
- alternative regulatory and economic mechanisms are available to ensure efficient use of airport capacity;
- revoking the 1991 TDRs should contribute to the overall simplification of the regulatory framework governing airport capacity allocation in the UK; and
- revocation should also be compatible with future significant expansion of airport capacity in the Southeast of England, as government plans to review the wider slot allocation framework that should apply in those circumstances anyway.

8. We consider there is value in removing unnecessary regulation and simplifying the overall framework. In practice, our assessment suggests revocation would not result in a material impact on how slots are likely to be used at Heathrow and Gatwick in the short to medium term, given the extent of capacity constraints prevalent at those airports. Growth in whole-plane cargo and GA/BA operations is more likely to occur at alternative, less congested, airports. Any new entrant to Heathrow or Gatwick would need to obtain airport slots which, particularly during periods of peak congestion, would rarely be available through the primary slot allocation mechanism and would need to be acquired from other airlines through the secondary slot market.

9. From our engagement with stakeholders, we understand that GA/BA operators would be unlikely to meet the conditions of the Slot Regulations to qualify for regular slots[6] even without the 1991 TDRs. Instead, their operations would continue to make use of *ad hoc* slots as and when they are available. Business aviation business models would be particularly unlikely to use regular slots, as their flight needs tend to be highly variable over time.

10. While revoking the 1991 TDRs is unlikely to have a material impact on slot usage in the short to medium term, there are still potential benefits from revoking them

[6] We refer to regular slots as slots that have “grandfathering rights”, which typically enable airlines to retain their slots if they have used them 80% of the time in the last equivalent winter and summer season.

to drive greater economic efficiency at the margin. In most circumstances, commercial passenger services may be a better use of capacity at the large, increasingly congested, London airports. However, there could also be limited specific cargo services that have the potential to provide significant economic benefits when compared with more marginal passenger services, such as whole-plane cargo operations carrying high volumes of time-sensitive cargo to, from or through the Southeast of England.

11. In this context, we see the potential benefits of removing the restrictions created by the 1991 TDRs that effectively prevent whole-plane cargo operators from obtaining slots needed for regular operations, as these may be the most economically valuable services in specific marginal cases. This is particularly likely to be the case if these operators are able to acquire slots in the secondary market from incumbent airlines. Maintaining the 1991 TDRs has the potential to dampen investment in cargo services and reduce benefits to the wider economy through scarce airport resources not being allocated to the most economically valuable service.

12. Our initial view is that the 1991 TDRs are not necessary to ensure airport capacity is efficiently allocated and that airport slots are put to increasingly more productive uses over time, which is achieved through other regulatory and economic mechanisms. For instance:

- under the UK Reg (EU) No 95/93 (the Allocation of Slots Regulations), the ("Slot Regulations"), airport operators set capacity declarations (including in relation to cargo facilities) and if that capacity is not available, Airport Coordination Limited ("ACL") would not allocate slots to whole-plane cargo operators or permit the acquisition of slots on the secondary market.
- airports can also adapt the structure of their charges to help incentivise the efficient use of capacity. We note that HAL has previously proposed the introduction of a weight-based cargo charge with an associated minimum cargo charge for cargo movements to ensure charging reflects the use of airport facilities.[7]

13. That said, condition C4 of HAL's licence[8] prohibits it from levying charges on cargo flights that are higher than the equivalent charges for passenger flights.[9] This limits HAL's ability to differentiate charges for whole-plane cargo operations

[7] See HAL 2023 charges consultation. Under the proposals, the same weight-based cargo charge would also apply to bellyhold cargo and, as it would be recovered as part of the maximum allowable yield, it would have therefore driven down other types of airport charges to passenger airlines. However, following consultation with airlines, this proposal was not implemented on that occasion – see HAL's 2023 aeronautical charges direction statement.

[8] The licence granted to HAL (January 2026) is available at Heathrow licence and monitoring.

[9] In this context, passenger flights include GA/BA.

in addition to the wider non-discrimination, consultation and transparency obligations placed on it, for example by the Airport Charges Regulations 2011. We welcome initial stakeholder views on whether that condition continues to be necessary or whether an alternative mechanism for securing that whole-plane cargo services continue to benefit from appropriate price control arrangements, would be preferable. Any changes to HAL's licence, if required, would be subject to separate consultation under the standard processes set out in the Civil Aviation Act 2012 and would be treated separately from this review, but take account of its outcome.

14. Overall, we consider that the 1991 TDRs is likely to be a disproportionate mechanism effectively preventing categories of airport demand that might have beneficial and economically relevant operations from entering Heathrow and Gatwick airports. We also consider that the regulatory framework for the allocation of airport slots and the ability for airlines to trade them are likely to constitute a sufficient and fairer way of governing access to congested airports and encouraging an efficient and productive use of the capacity.

15. We also consider that the 1991 TDRs would become even less relevant if and when significant new runway capacity becomes available at Heathrow and/or Gatwick. First, because there would presumably be fewer periods categorised as periods of peak congestion and there may be more capacity to accommodate the various categories of traffic and, secondly, because the Department for Transport ("DfT") is intending to review and potentially reform the Slot Regulations in a way that might facilitate that expansion.

16. **We welcome views from stakeholders on both our draft advice to revoke the 1991 TDRs and on when such revocation should occur**. For example, the SoS could:

- revoke the 1991 TDRs as soon as possible; or
- revoke the 1991 TDRs while allowing for a reasonable transition period (for example, two scheduling seasons).

17. Subject to consultation, **our preferred approach and recommendation would be for the SoS to allow for a reasonable transition period** because:

- a transition period would reflect the nature of airport capacity planning as a forward-looking activity generating less uncertainty in the short term;
- this would allow airport and aircraft operators to adapt and consider whether they might need to review any capacity or charging assumptions in advance of the revocation coming into effect; and

- a transition period might also allow Government to secure legislative changes allowing the SoS to reform slot rules further, should that be needed to ensure the overall system can become more effective.

18. While we considered some alternatives to revoking the 1991 TDRs, such as partial revocation or expanding the scope of the TDRs, we were of the view that full revocation was the option most consistent with our assessment framework, as explained further in chapter 4.

19. Nevertheless, if evidence emerges of significant future entry by whole-plane cargo or GA/BA operators and that such entry is to the detriment of consumers, DfT can further consider whether there might be a need to make other changes to the airport slot regulatory framework or even to consider reintroducing TDRs.

Structure of this document

20. This document covers, in:

- chapter 1, a description of the relevant legislative and policy context relating to the 1991 TDRs;
- chapter 2, an overview of the market context, including how it has developed since the 1991 TDRs were introduced;
- chapter 3, a high-level summary of stakeholder views in response to the Call for Inputs; and
- chapter 4, our views and draft advice for consultation.

21. Appendix A provides a more detailed summary of stakeholder views and Appendix B contains the list of respondents. Appendix C is a glossary.

Matters out of scope of this consultation

22. While we recognise that aspects of the broader regulatory and legislative framework for use of airport capacity are relevant to our review of the 1991 TDRs, it is not the purpose of this consultation to comment on the case for changing any of the below:

- potential future reforms to the Slot Regulations;
- airport capital investment plans for cargo (or other) facilities;
- how local guidelines for slot allocation (often referred to as “local rules”) currently operate at airports;
- environmental rules on operation of night flights;
- airspace modernisation; and
- Heathrow or Gatwick expansion.

Views invited

23. We welcome stakeholders' views on all aspects of the matters set out in this document. In particular, we invite views on:

- our draft advice to the Secretary of State that the 1991 TDRs should be revoked;
- the approach to implementation, including whether revocation of the 1991 TDRs should take effect immediately or following a suitable transition period; and
- whether condition C4 in HAL's Licence continues to be necessary or whether an alternative mechanism, ensuring that whole-plane cargo services continue to benefit from appropriate price control arrangements, would be preferable.

24. This consultation will run for six weeks. Please email responses to economicregulation@caa.co.uk by no later than **26 June 2026**.

25. We will publish the list of respondents and the consultation responses we have received to this consultation on our website alongside our final advice. Any material that is regarded as confidential should be clearly marked as such and included in a separate annex. We have powers and duties with respect to the disclosure of information under the AA86 and the Freedom of Information Act 2000 and it may be necessary to disclose information consistent with these requirements.

Next steps

26. We intend to provide and publish final advice to the SoS in the summer of 2026, following which, it will be for the SoS to consider and decide whether the 1991 TDRs are revoked, amended or retained.

27. Any questions related to this consultation should be sent to cynthia.kalyan@caa.co.uk.

CHAPTER 1

Relevant legislative and policy context

1.1 This chapter describes the relevant legislative and policy context for how airport capacity is regulated in the UK and for our review of the 1991 TDRs. It explains the legislative framework enabling the SoS to create TDRs; the role different parties, including the CAA, play in that process; the key aspects of the 1991 TDRs; and the broader context regarding airport slot coordination in the UK.

The framework for creating TDRs in the Airports Act 1986

1.2 The AA86 forms part of the overarching legislative framework that governs how airports in the UK can operate and be used. The AA86 provided for the dissolution of the British Airports Authority ("BAA") and the vesting of its property, rights and liabilities in a company nominated by the SoS. It also provided for the reorganisation of other airport undertakings in the public sector and for the regulation of the use of airports (such as by introducing TDRs). Parts of the AA86 that provided for the imposition of economic controls at certain airports were repealed and replaced by the Civil Aviation Act 2012.

1.3 Section 31 of the AA86 gives powers to the SoS to create TDRs. TDRs can be used to determine how traffic is distributed between neighbouring airports. Where it appears to the SoS that two or more airports are airports serving the same area in the UK, the AA86 allows for the creation of TDRs to specify how different types or classes of air traffic are distributed between those airports in such manner as the SoS thinks fit.

1.4 TDRs may do any of the following things (and no more), namely—

(a) specify classes or descriptions of air traffic that are permitted under the rules to use any of the airports concerned;

(b) impose prohibitions or restrictions in relation to the use of any of those airports by air traffic of any class or description specified in the rules;

(c) provide for the rules to come into operation (in whole or in part) at such time or in such circumstances as may be specified in the rules.

1.5 Before making (amending or revoking) TDRs, the SoS must consult the CAA. Before giving advice to the SoS, the CAA must consult as appropriate with airports and aircraft operators likely to be affected by the rules.

1.6 TDRs should be seen in the context of the more interventionist regulatory regime for airline licensing prevailing in the 1990s and before. Prior to the creation of the single EU aviation market and liberalisation in most long-haul markets, individual

licences or permits were required before an airline could operate a certain route, and route applications could be contested between UK airlines, with the CAA allocating those routes through licensing decisions.

1.7 There could be multiple reasons for choosing to create TDRs. For example, if an area of the UK is served by two or more airports and one or some of those airports are capacity constrained, in the context where market entry is more controlled than it is today, rules could be made to divert certain types of traffic to the other less-constrained airports in order to manage congestion and try to encourage best use of scarce capacity.

Airports serving the same area

1.8 The reference to "airports serving the same area" is defined in section 31(6) of the AA86 as airports where a substantial number of passengers have as their original points of departure, or their ultimate destinations, places situated within the same area of the UK.

1.9 The 1991 TDRs refer to the "London Area" and, when creating the 1991 TDRs, the SoS considered that London (Heathrow), London (Gatwick), and London (Stansted) were airports serving the same area in the UK.

Matters the CAA should take into account

1.10 As prescribed in section 34 of the AA86, in preparing and providing our advice to the SoS we shall take into account:

- such of the international obligations of the UK as the SoS may notify to it for the purposes of this section (no such obligations have been notified so far); and
- any advice received from the SoS with respect to the relations of the UK with a country or territory outside the UK (none has been received so far);

and, subject to that, have regard to:

- the need to secure the sound development of civil aviation throughout the UK;
- the reasonable interests of users of air transport services; and
- such policy considerations as the SoS may notify to the CAA for the purposes of our review (see ministerial views section below).

Ministerial views

1.11 The DfT sought initial industry views on the 1991 TDRs as part of the Winter 2023 alleviation slots consultation in June 2023. The DfT considered that the consultation feedback expressed a general desire for the 1991 TDRs to be reviewed. The DfT shared this feedback with us, and we have taken account of it

in formulating our draft advice, alongside the more recent responses we received to our Call for Inputs.

1.12 Furthermore, a previous Minister for Aviation said in his letter to the CAA of January 2025:

"My Department has carefully considered the views of all responses received and on balance, I have concluded that the TDR should be reviewed by the CAA on the basis that the indications so far suggest it is outdated and inconsistent with the Worldwide Airport Slot Guidelines (WASG) principle that slots are allocated at congested airports in an open, fair, transparent and non-discriminatory manner."

The 1991 TDRs

1.13 The 1991 TDRs are now 35 years old, having come into force on 5 March 1991 and replacing a more restrictive set of TDRs created in 1986.

1.14 Under the 1991 TDRs, whole-plane cargo services, or GA/BA services, cannot be operated at Heathrow or Gatwick airports during periods of peak congestion declared for each scheduling season by the CAA unless given permission by the airport operator.[10]

Process of defining peak periods

1.15 For each of the Summer and Winter aviation scheduling seasons, the CAA should have regard to advice from the airport operators (Heathrow Airport Limited ("HAL") and Gatwick Airport Limited ("GAL")), the scheduling committees at the airport and ACL, the independent slot coordinator for airports in the UK, on slot availability at the two airports for the upcoming season.

1.16 In practice, ACL looks at slot data of a representative peak week in that season. It produces a table showing the number of available slots at each airport, for each hour and on each day of the week, taking account of operational constraints at the airport. It then writes to the CAA with the data and proposed schedule of peak periods of congestion, having discussed that proposal with the relevant airport operator.

1.17 The CAA then reviews the data and uses it to inform its decision. Once decided, the CAA formally notifies the defined peak periods of congestion for both airports for the upcoming season. Typically, the CAA sets as periods of peak congestion hourly periods that have been proposed by ACL and airport operators and where the data suggests that there are:

[10] Periods of Peak Congestion declared by the CAA in recent scheduling seasons are available at Traffic distribution rules.

- fewer than three slots available for departures at Heathrow;
- fewer than three slots available for arrivals at Heathrow; and
- fewer than three slots available for arrivals and departures (in total) at Gatwick.

1.18 For whole-plane cargo and GA/BA, the 1991 TDRs mean large parts of the operational day at both Heathrow and Gatwick are effectively blocked out. Table 1.1 below shows the proportion of available slot periods in a week that are defined as peak periods of congestion, for both Heathrow and Gatwick and for Summer 2026 and Winter 2025/26 seasons.

Table 1.1: Current view of defined peak periods as a proportion of available slot periods in a week

Airport	Summer 2026	Winter 2025/26
Heathrow (arrivals)	94%	84%
Heathrow (departures)	95%	76%
Gatwick (arrivals & departures)	71%	27%

Source: CAA publication of defined peak periods of congestion

Notes: Denominator is hours of operation in a week, which excludes the night period. The defined peak periods apply for fewer weeks of the Summer 2026 season at Gatwick compared to Heathrow.

1.19 There is a higher proportion of peak periods of congestion at Heathrow compared with Gatwick for both seasons and, for Heathrow, less of a difference across seasons than at Gatwick, in part reflecting the differences in traffic mix at the two airports.

Airport slot coordination

1.20 Airport slot coordination is a process to manage and allocate capacity at a capacity-constrained airport or, in other words, where there is excess demand to operate to and from that airport. Current legislation on slot allocation is set out in Regulation (EEC) No 95/93 and the Airports Slot Allocation Regulations 2006 on rules for the allocation of slots at UK airports. The slot regulations are supplemented by the Worldwide Airport Slot Guidelines ("WASG").[11] The WASG provide guidance on slot scheduling and seeks to achieve consistency across approaches taken to allocate slots in different parts of the world.

1.21 According to the WASG, the prime objective of airport slot coordination is to ensure the most efficient declaration, allocation and use of available airport

[11] Worldwide Airport Slot Guidelines, Edition 3

capacity in order to optimise benefits to consumers, taking into account the interests of airports and airlines. Its wider objectives are:

(a) to facilitate consumer choice of air services, improve global connectivity and enhance competition at congested airports for passengers and cargo;

(b) to provide consumers with convenient schedules that meet demand, are consistent from one season to the next, and reliable in terms of their operability;

(c) to ensure that slots are allocated at congested airports in an open, fair, transparent and non-discriminatory manner by a slot coordinator acting independently;

(d) to realise the full capacity potential of the airport infrastructure and to promote regular reviews of such capacity and demand that enable effectual capacity declarations for slot allocation on a seasonal basis;

(e) to balance airport access opportunities for existing and new airlines;

(f) to provide flexibility for the industry to respond to regulatory and changing market conditions, as well as changing consumer demand; and

(g) to minimise congestion and delays.

1.22 Following the UK's exit from the EU, the UK Government (in practice, the DfT) is responsible for maintaining slot regulations and airport slots policy. However, the task of slot allocation is solely a matter for ACL. ACL's role is to allocate slots – permissions to land or take off at a capacity-constrained airport at a given time on a given day – to airlines and other aircraft operators that are using or planning to use the airport.[12]

1.23 The number of available slots at an airport is determined by the declared airport capacity. Allocation rules are complex. Subject to a "use it or lose it" rule, operators are able to "grandfather" the right to use a given slot. Therefore, slots at a congested airport only become available for new services where an operator with slots has had to give them up, but this is rare because over time the slots at congested airports have acquired a value, depending on the airport and the slot timing. As a result, where there are few or no suitable slots for primary allocation, to begin a new service, operators must buy or lease slots from incumbents on the secondary market.[13]

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12 See IATA - Coordinated Airports and FAQs | Airport Coordination Limited for more information about the allocation process.

13 In order to comply with the Slot Regulations, operators must first acquire unusable "junk" slots from ACL and then exchange these with the seller for the usable slots.

1.24 The largest London area airports are slot coordinated because demand for take-off and landing significantly exceeds capacity. Operators must therefore hold slots if they want to operate consistently at these airports.[14]

1.25 In allocating slots, ACL is required by slot regulations to take into account additional rules and local guidelines in place at an airport, provided that such rules and guidelines do not affect the independent status of the coordinator, the law of the UK, or of the relevant part of it, and aim at improving the efficient use of airport capacity.

Competition Commission BAA investigation (2009)

1.26 The Competition Commission, in its broader investigation of BAA Airports in 2009, specifically looked at whether the 1991 TDRs were a feature of the market which prevented, restricted or distorted competition in the relevant markets of that investigation.[15]

1.27 The Competition Commission's provisional findings were that the 1991 TDRs could distort competition, particularly for cargo operations at Gatwick, by forcing large freight aircraft to use Stansted. This could increase costs for some operators who must split their activities across multiple airports. However, it did not find an adverse effect on competition for GA/BA, given the large number of alternative airports serving such flights and the lack of complaints about access.

1.28 The CAA suggested at the time that a new owner of Gatwick could improve competition by granting new permissions or shortening/removing peak periods and indicated it would typically accept such recommendations as long as peak periods remained no longer than necessary.

1.29 While BAA's refusal to grant freight exemptions may reflect its incentives under common ownership, the Competition Commission ultimately decided not to reach a finding on the competition effects of the 1991 TDRs. Therefore, it could not issue a formal recommendation on revising them.

1.30 Nevertheless, it stated that there was no clear justification for treating freight differently from passenger flights and suggested that a review of the 1991 TDRs – particularly their effect on the freight market – would be timely, especially with the separate ownership of the three major London airports. It noted that the DfT, with advice from the CAA, had the power to conduct such a review, which could include Heathrow as well as Gatwick. The CAA supported such a review, noting that the rules had not been updated since 1991.

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[14] *Ad hoc* slots are available from time to time but do not provide consistent opportunities for aircraft operators to use an airport on an ongoing basis or acquire grandfathering rights.

[15] See page 158 of BAA Airports: Final Report

CHAPTER 2

Market context

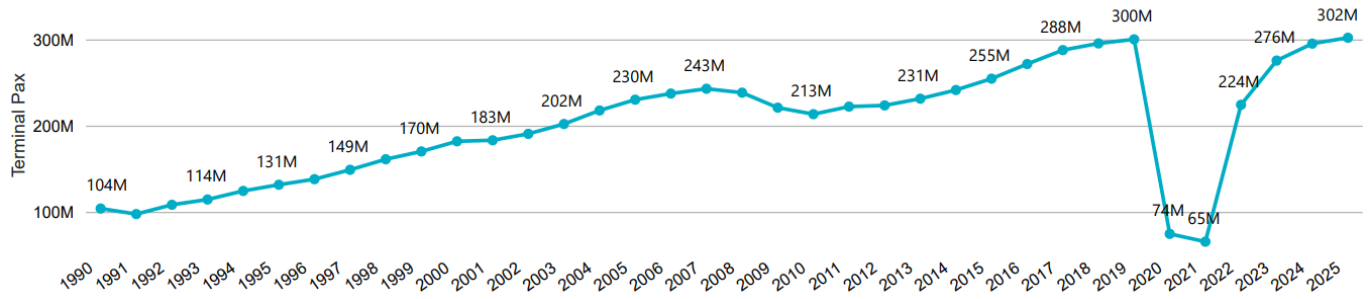
2.1 This chapter describes the market context relevant to the 1991 TDRs and provides descriptive statistics, including on whole-plane cargo and GA/BA. It shows how airport capacity is used in the London area as well some of the considerations and constraints that influence flight activity for these types of traffic. It also shows that there has been continued growth in the UK's aviation sector since the introduction of the 1991 TDRs and that there is an increasing need to use scarce airport capacity as efficiently as possible.

Long term volume growth at UK airports

2.2 Aviation plays an important role in the UK's economic and social landscape. Since the 1991 TDRs were introduced, there has been sustained growth in the number of flights (1.3% compound average growth rate ("CAGR")[16] from 1991 to 2025) and passengers at UK airports.[17]

2.3 Figure 2.1 shows that passenger numbers grew from approximately 100 million in 1991 to over 300 million in 2025. Figure 2.2 shows air cargo tonnage grew considerably between 1990 and 2000 to about 2.6 million tonnes but has been relatively flat since.

Figure 2.1: Annual UK terminal passengers, 1990 to 2025

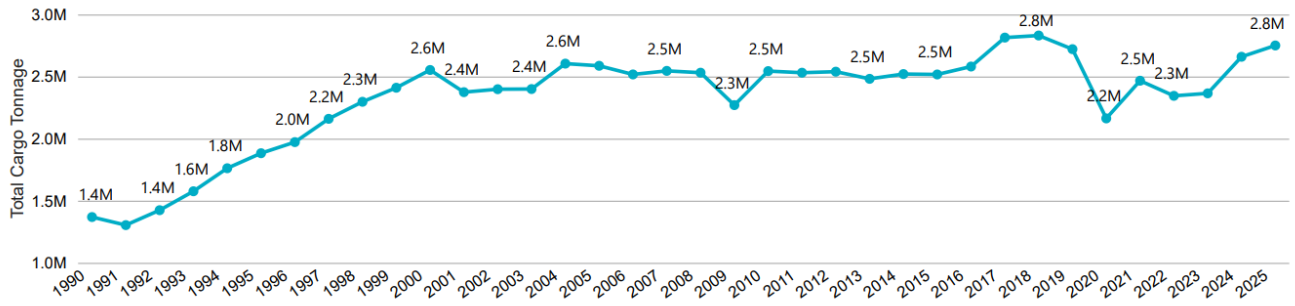


Source: CAA Aviation Trends, 2025 Q4

16 The compound average growth rate is the mean annualised growth rate between two periods.

17 Here, "UK airports" refers to all reporting airports in the UK (which is essentially all airports of a certain scale in the UK). Figure 2.1 and Figure 2.2 are taken from a report where Channel Islands and Isle of Man data are included alongside all other reporting airports, despite not being part of the UK.

Figure 2.2: Annual UK air cargo tonnage, 1990 to 2025



Source: CAA Aviation Trends, 2025 Q4

Airports in the London area

2.4 The UK's airspace is known to be some of the busiest and most complex in the world, in large part because of aviation demand originating in the Southeast of England. In 2025, Heathrow, Gatwick, Stansted, Luton, London City and Southend alone represented approximately 59 per cent of total UK air passengers,[18] 50 per cent of the UK's total air transport movements and 41 per cent of the UK's total reported aircraft movements.[19,20]

2.5 As noted in chapter 1, for the purpose of the 1991 TDRs, the SoS considered Heathrow, Gatwick and Stansted to be serving the same area in the UK; namely the "London area". Under S31(6) of AA86, for an airport to be considered to serve the same area as another, it must serve a substantial number of the passengers departing from or arriving at the airports whose ultimate destination is that area.

2.6 In that case, Luton and London City would also serve a substantial number of the passengers departing from or arriving at the airports whose ultimate destination is the "London area"[21] and we therefore consider them to serve the "London area", in addition to Heathrow, Gatwick and Stansted. It is arguable that other

18 Table 09, CAA airport data 2025

19 Table 05, CAA airport data 2025

20 In this context, an aircraft movement is any take-off or landing at a UK airport, whereas air transport movements are only those which are commercial in nature and specifically about transporting passengers, freight or mail (that is, air transport movements are a subset of aircraft movements). For more information, see UK airport data notes and FAQs.

21 See CAA's 2011 Catchment Area analysis working paper showing that the catchment areas of Heathrow, Gatwick, Stansted and Luton largely overlap across all four airports over the Greater London region, across a variety of catchment definitions. Furthermore, London City airport is located within that area of catchment overlap, suggesting that its catchment also overlaps to a significant extent. More recent data from the 2024 CAA Passenger Survey report (t04_2024.pdf) shows consistent information on origin/destination of terminating passengers and Table 09, CAA airport data 2025 shows 2025 passenger numbers at Luton and London City.

airports such as Southend might also serve the London area, although it is less clear that they would necessarily meet the "substantial" criterion of S31(6). That said, if our draft advice to revoke the 1991 TDRs is implemented by the SoS, a precise definition of the "London area" would not be required.

2.7 There is a range of factors likely to influence operators' demand to operate at certain airports and therefore the patterns we observe in the following data. For example, this may include:

- an airport's location and infrastructure,[22] such as whether it can accommodate cargo processing or has flight training facilities;
- central and local Government rules that place limits on operations, for example the noise quota system which limits the number of night flights at Gatwick, Heathrow and Stansted,[23] or the planning restrictions at Farnborough that limit the number of movements, for example on weekends or bank holidays;[24] and
- economic considerations, such as operating fees, airport and carrier competition, surface access, market access and so forth.

2.8 Generally, this means two or more geographically close airports may not serve the same demand. Whole-plane cargo and GA/BA are likely to demand different types of airport facilities in the London area, based on the size and type of aircraft they operate, the purpose of their journey and the nature of the demand for their own services.

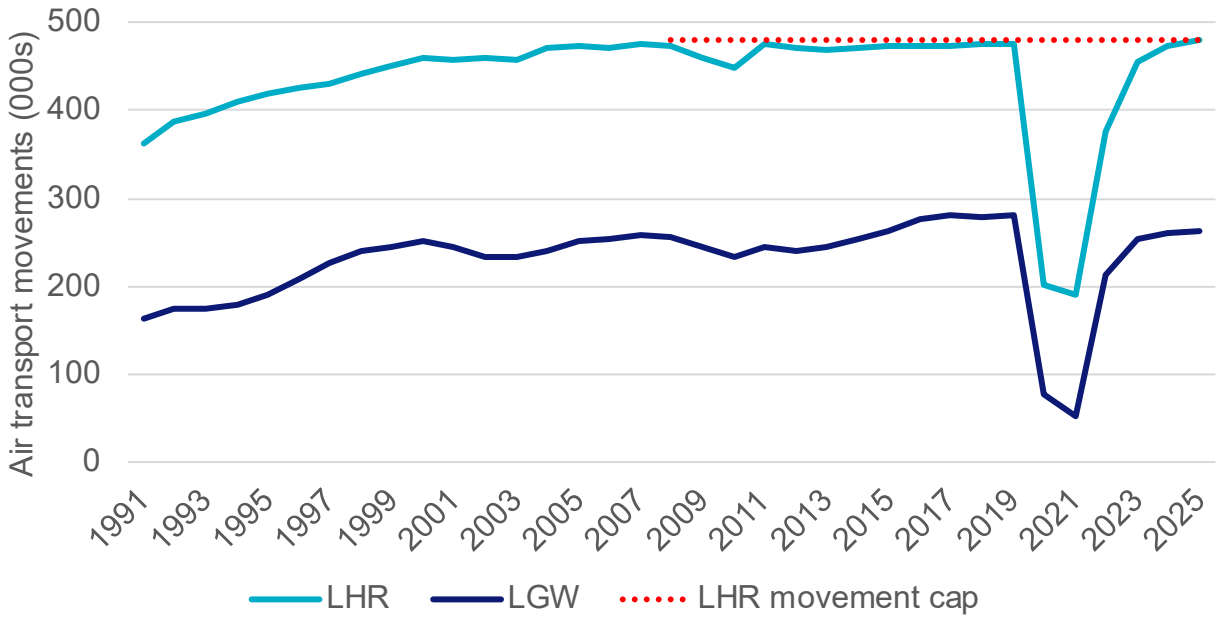
2.9 Figure 2.3 below shows the number of air transport movements over time at Heathrow and Gatwick, the two largest airports in the UK. Air transport movements at Heathrow and Gatwick followed a similar, modest upward trend between 1991 and 2008. Heathrow opened Terminal 5 in 2008 and as part of planning permission its total aircraft movements were capped at 480,000 annually. Since then, Heathrow has mostly operated very close to its cap except for the period impacted by the Covid-19 pandemic. Gatwick continued to trend upward moderately until the pandemic (about 2% CAGR since 1991). By the end of 2025, Gatwick's flight numbers had not yet returned to pre-pandemic levels, but it remains the busiest single-runway airport in Europe.

22 See page 5 of ACI Europe Position Paper on Airport Capacity and ACI Guidance on Airport Capacity Declarations for more information on the factors which determine declared airport capacity.

23 Decision: Night flight restrictions at Heathrow, Gatwick and Stansted from October 2025

24 Farnborough airport's planning history - Rushmoor Borough Council

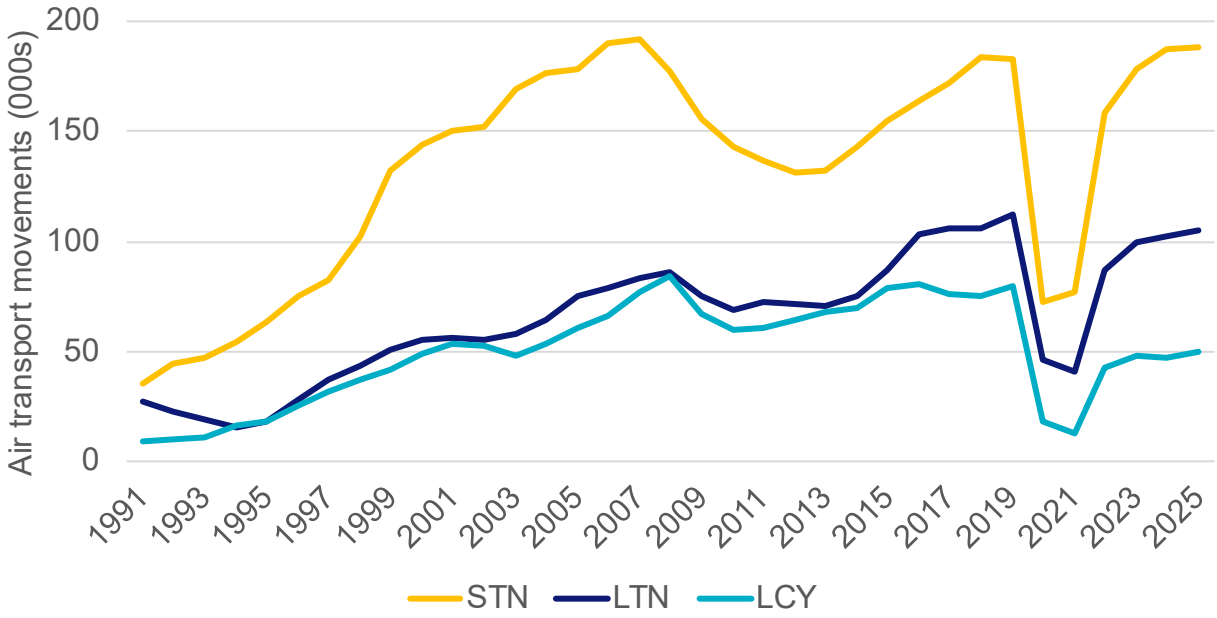
Figure 2.3: Total air transport movements at Heathrow and Gatwick, 1991 to 2025



Source: CAA Airport Statistics

2.10 Figure 2.4 below shows air transport movements at Stansted, Luton and London City over time. Stansted observed considerable growth in air transport movements in the years immediately after the 1991 TDRs were introduced. Luton and London City have trended upward over time, although air transport movements at London City have not recovered to pre-pandemic levels. For Luton (but not Stansted or London City), this understates the activity at the airport, as air transport movements do not include business aviation movements, which represent a considerable portion of all transport movements at the airport; see Table 2.1 below.

Figure 2.4: Total air transport movements at STN, LTN and LCY, 1991 to 2025



Source: CAA Airport Statistics

2.11 Table 2.1 below shows the make-up of aircraft movements at London airports in 2025.

Table 2.1: The make-up of aircraft movements at the major London airports in 2025

Airport	Air transport movements, as % of all movements	Greatest share of remaining movements (% of all movements)
Heathrow	99.6%	Positioning flights (0.3%)
Gatwick	98.6%	Positioning flights (1.1%)
Stansted	96.6%	Non-commercial business aviation (2.9%)
Luton	78.0%	Non-commercial business aviation (21.0%)
London City	93.1%	Non-commercial business aviation (1.1%)
Southend	16.3%	Aero club (41.9%)

Source: CAA airport data 2025

Note: Air transport movements include air taxi movements

2.12 In 2025, Southend had many fewer air transport movements than the other airports, however it is important to note how different its traffic mix is to other airports in the area: aero club usage represented 41.9 per cent of all movements and "private" non-commercial flights made up another 28.6 per cent.[25] By

[25] Southend is growing its passenger services and therefore the traffic mix may soon change; for more detail, see London Southend Airport hits passenger record as 2025 becomes busiest in six years

contrast, less than 0.5 per cent of the movements were non-commercial business aviation at both Heathrow and Gatwick.

2.13 In addition to its complexity, the Southeast of England is also capacity constrained.[26] There is no planned capacity expansion in the short term and so these capacity constraints are expected to persist. However, in the medium to longer term:

- Luton, Stansted and Gatwick have approved capacity expansion and plans for growth;[27,28,29]
- there is significant work on planned expansion at Heathrow, with Government's Airport National Policy Statement on a third runway expected for consultation in July 2026;[30] and
- the owners of Manston have plans to reopen the airport as a dedicated air cargo hub.[31,32]

2.14 That said, and despite the movement cap at Heathrow, Figure 2.5 shows there has been sustained growth in revenue passenger kilometres ("RPKs")[33] since 2001. This suggests Heathrow's heavily constrained runway capacity has increasingly been put to more productive use by airlines.

26 Transport and growth update: airport expansion and transition to greener aviation - GOV.UK

27 The London Luton Airport Expansion Development Consent Order 2025

28 Uttlesford District Council Stansted Airport Planning Permission Report

29 Gatwick Airport Northern Runway - Project information

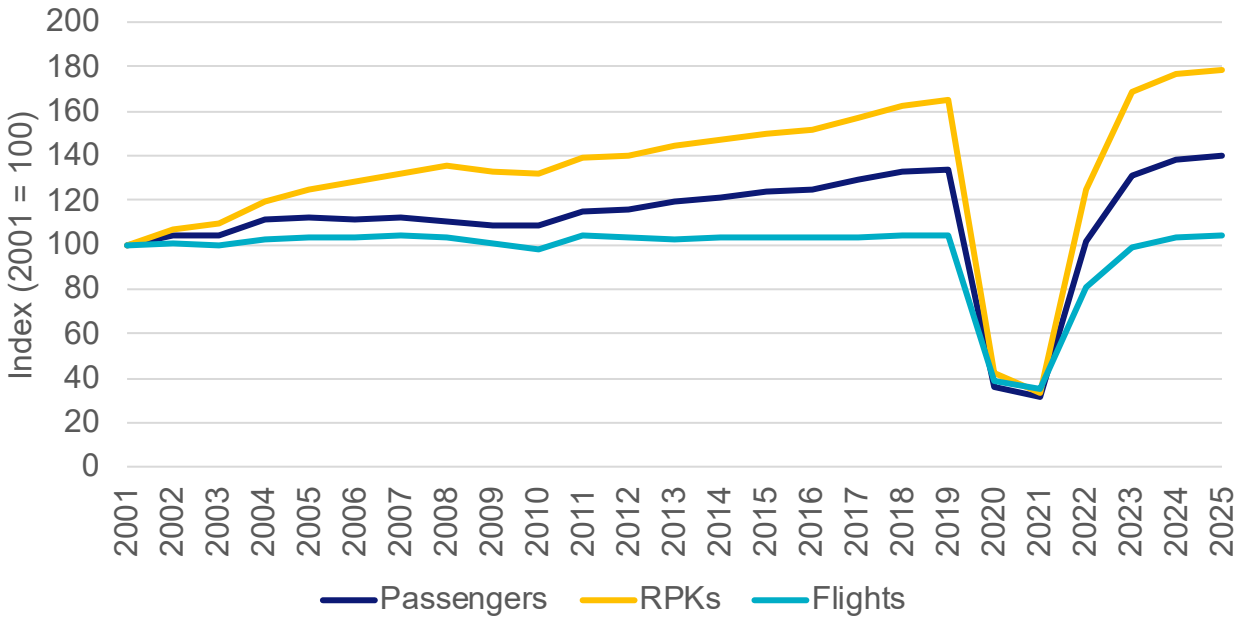
30 See Heathrow expansion: selection of a scheme for ANPS review purposes - GOV.UK and https://hansard.parliament.uk/commons/2025-10-22/debates/EFD26F58-2421-4C6F-8E15-AABDB2BE0D12/HeathrowNationalAirportsReview.

31 The Manston Airport Development Consent Order 2022

32 Manston Airport Airspace Change Proposal - Stage 3 Consultation - The Civil Aviation Authority and Airspace Change sponsors - Citizen Space

33 RPKs are calculated by multiplying the number of paying passengers by the great circle distance of each route. RPKs per flight is considered a better measure of slot productivity than just passenger numbers or aircraft movements alone.

Figure 2.5: Growth in passengers, RPKs and flights at Heathrow airport



Source: CAA Airport Statistics

Air cargo

2.15 While not defined in the 1991 TDRs or the AA86, whole-plane cargo is generally understood to mean commercial flights configured for only the transport of cargo with no passengers on board.[34]

2.16 Within the whole-plane cargo sector, operators can broadly be split into two categories:

- integrated or "express" operators, which manage the entire end-to-end cargo supply chain. These businesses typically operate hub-and-spoke networks and are focused on offering time-definite, next-working-day delivery; and
- general air freight operators (which may be dedicated freight operators or airlines that operate both whole-plane cargo and passenger flights), which provide air transport of cargo but do not operate across the full supply chain. These businesses work with freight forwarders and other logistics providers to allow for end-to-end cargo movement.

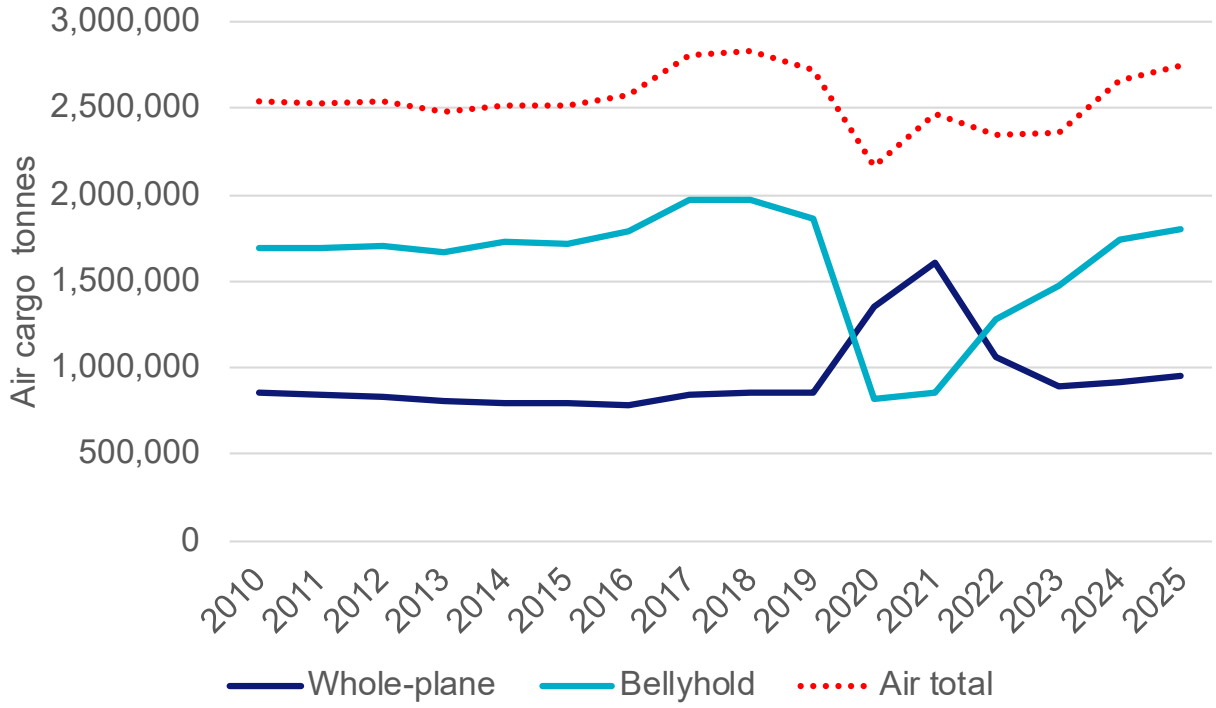
2.17 Whole-plane cargo is generally quite different from passenger services in terms of its business model, infrastructure requirements and therefore its demand to operate at certain airports. For example:

[34] This is synonymous with other terms like "freighter" and "all-cargo" aircraft. Many airlines operating passenger flights, particularly long haul, carry "bellyhold" cargo on passenger flights.

- whole-plane cargo tends to have early morning and late-night demand peaks – before and after passenger service peaks – within a day,[35] reflecting in part the time-sensitive nature of some cargo and the integrator "next-day delivery" business model;
- on-site, within-customs cargo sorting and storage facilities may be required. Proximity to logistics hubs is also important to allow for efficient cargo movement, including connection to other transport modes. Like passenger services, there are likely network benefits from being collocated at hubs, however in this case it extends to collocation with other freight operations and sorting facilities rather than just passenger services; and
- the global cargo aircraft fleet tends to be older[36] (and noisier)[37] than the passenger fleet, with many decommissioned passenger aircraft converted to whole-plane cargo aircraft.

2.18 Figure 2.6 below shows air cargo tonnage at UK airports in the past 15 years. Cargo tonnage has remained relatively flat and is mostly transported in the bellyhold of passenger aircraft.

Figure 2.6: Air cargo tonnes in the UK by carrier type, 2010 to 2025



Source: CAA Airport Statistics

35 Eurocontrol Data Snapshot #26

36 Air Passenger Market Analysis

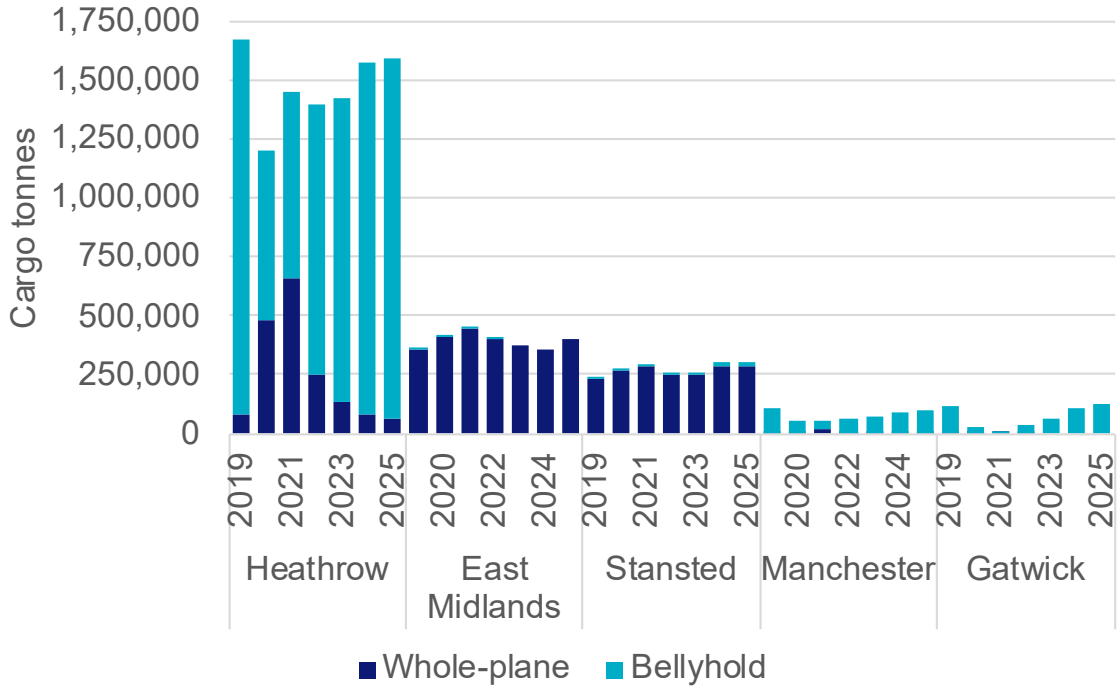
37 The factors affecting pollution and noise environmental costs of the current aircraft fleet: An econometric analysis - ScienceDirect

2.19 During the Covid-19 pandemic there was a marked drop in bellyhold volumes as passenger flight numbers declined sharply. This was largely counteracted by an increase in whole-plane cargo volumes, with the net effect being a modest decrease in total air cargo volumes. In 2025, air cargo volumes had nearly returned to pre-pandemic peak volumes.

2.20 Air cargo has historically made up a small portion of the UK's total cargo volumes across all modes,[38] but a considerable portion of the total value. Based on HM Revenue and Customs' trade data for 2025, Heathrow made up about 26 per cent of the value of all the UK's trade.[39] The other four of the top five UK airports by cargo volumes – East Midlands, Stansted, Gatwick and Manchester – made up another 6 per cent (31 per cent total across the top five).

2.21 Figure 2.7 below shows that, since 2019, Heathrow has processed the most air cargo volumes of all airports in the UK and most of it was transported in the bellyhold of passenger aircraft. East Midlands and Stansted airports processed the second and third most, and the majority travelled there on whole-plane cargo services. Gatwick and Manchester processed relatively small volumes, most of which was bellyhold.

Figure 2.7: Top 5 airports in the UK by cargo volumes, 2019 to 2025



38 For example, in 2024, there were approximately 60 million tonnes of containerised maritime cargo, the most comparable form of maritime cargo to air cargo. (That is almost 25 times greater volume than the 2.5 million tonnes of air cargo in 2024). See DfT's PORT0201 maritime cargo dataset for more detail.

39 CAA analysis of HM Revenue and Customs trade data. Trade value tables can be built at Overseas trade data table.

Source: CAA Airport Statistics

2.22 Table 2.2 below shows the top five airports by whole-plane cargo movements in 2014, 2019 and 2025.

Table 2.2: Top 5 UK airports by whole-plane cargo movements in 2014, 2019 and 2025

Airport	2014	2019	2025	2025 vs 2019
East Midlands	21,601	22,705	18,402	-19.0%
Stansted	9,338	10,208	8,595	-15.8%
Belfast International	4,063	2,959	2,476	-16.3%
Edinburgh	4,956	5,116	2,394	-53.2%
Heathrow	2,332	2,639	2,287	-13.3%

Source: CAA Aviation Statistics
Note: Top 5 based on 2025 whole-plane cargo movements

2.23 Across the three years, East Midlands consistently had the highest number of whole-plane cargo movements. In 2025, none of the largest five UK airports by whole-plane cargo movements had volumes higher than in 2019 (pre-pandemic), nor higher than in 2014. To note, the top 10 airports by whole-plane cargo movements made up the vast majority of the UK's total whole-plane cargo traffic.

2.24 Table 2.3 below shows the top five airlines by number of whole-plane cargo movements at East Midlands, Stansted and Heathrow in 2025.

Table 2.3: Top 5 airlines by number of whole-plane cargo movements in 2025 (name, movements in 2025)

East Midlands	Stansted	Heathrow
DHL Air (6,535)	FedEx (2,597)	EAT – DHL (1,303)
West Atlantic UK (2,563)	EAT – DHL (1,878)	Korean Air (246)
EAT – DHL (2,117)	UPS (1,013)	Singapore Airlines (196)
FedEx (1,523)	Qatar Airways (795)	Cathay Pacific (191)
UPS (1,102)	China Southern (552)	Virgin Atlantic (150)
Other (4,562)	Other (1,760)	Other (201)
Total (18,402)	**Total (8,595)**	**Total (2,287)**

Source: CAA Airport Statistics
Note: DHL Air and European Air Transport ("EAT") are both airlines within the broader DHL Group. DHL Air holds an UK Air Operator Certificate and operates primarily out of East Midlands Airport, whereas European Air Transport holds a

German Air Operator Certificate and has its main hub at Leipzig/Halle Airport, Germany, although it also serves East Midlands, Stansted, Heathrow and other UK airports.

General aviation and business aviation

2.25 In the 1991 TDRs, "general or business aviation" is defined as any air traffic that is not:[40]

- scheduled air services;
- non-scheduled air transport operations for hire or reward and, in the case of passenger air transport operations, where the passenger seating capacity of the aircraft used exceeds ten;
- official flights;
- positioning flights; and
- training flights.

2.26 Business aviation tends to differ considerably from scheduled passenger and cargo operations, characterised by the use of a wide network of smaller, less-congested airports across the UK with peakier, typically *ad hoc* demand and highly variable volumes and direction of travel.[41] This reflects the fact that business travel often happens on an "as and when required" basis, responding to time-sensitive business needs rather than on a predictable schedule. It also reflects a passenger demographic with a relatively high value of time and therefore a desire to avoid queues.

2.27 For other general aviation ("GA") activities, we might expect operators to be more price sensitive than business aviation or scheduled commercial services, since there is no commercial travel purpose and costs are therefore likely to be borne directly by those flying. We may also expect proximity of the airfield or airport to home to be an important factor in the choice of a home base to operate at, resulting in a wide network of airports and airfields being used across the UK, and for there to be demand for things like hangarage, fuelling or maintenance capabilities.[42]

2.28 Table 2.4 below shows the top ten busiest airports in the UK by business jet departures, in 2019 and 2025. These statistics are based on Eurocontrol data on Instrument Flight Rules flights. The data are not categorised by flight type or

40 Traffic Distribution Rules 1991

41 Pages 13 and 14, CAP796 Flying on Business – a Study of the UK Business Air Travel Market

42 See York Aviation General Aviation Airfields Study for discussion on other factors that likely inform the choice of airport to operate from.

purpose; however, we have used information on aircraft type and occupancy to estimate the likely business aviation departures.

Table 2.4: Top 10 UK airports by business jet departures, 2019 and 2025

Airport	2019	2025	2025 vs 2019
Farnborough	14,129	13,842	-2%
Luton	13,011	12,900	-1%
Biggin Hill	8,040	10,400	29%
Stansted	4,566	4,541	-1%
Northolt	746	3,988	435%
Oxford	2,395	3,170	32%
Manchester	2,264	2,644	17%
Glasgow	1,965	2,157	10%
Liverpool	1,427	2,020	42%
Birmingham	1,801	1,997	11%
Total (above)	**50,344**	**57,659**	**15%**
Total (all UK)	**93,637**	**91,537**	**-2%**

Source: CAA analysis of Eurocontrol Instrument Flight Rules data
Note: Top 10 based on number of departures in 2025, excluding Jersey, Guernsey and Isle of Man from calculations

2.29 The airports in the table above represented about 63 per cent of all UK business jet departures in 2025. Six of those airports are in the Southeast of England and collectively represented about 53 per cent of all UK business jet departures. To note, neither Heathrow nor Gatwick appears in the top 10 (122 and 131 departures respectively).

2.30 Compared to scheduled activities at larger airports, there is less information regularly reported about GA activity in the UK. Nonetheless, the 2025 data that sits behind Table 2.1 shows that, at the largest airports in the London area (except Southend, as noted), there is minimal other GA activity.

Summary of the key conclusions from this chapter

2.31 One of the main changes since 1991 has been the growth of the UK's aviation industry and more specifically the strong increase in traffic at several airports in the Southeast of England. Based on S31(6) of the AA86, for the purpose of the TDRs it is likely to be more appropriate that Luton and London City – in addition to Heathrow, Gatwick and Stansted – are included in an updated definition of

"London area" compared to the one used in the 1991 TDRs. That said, there are other airports in the Southeast of England that may also serve the "London area" but it is less likely that they would currently meet the substantial passengers served criteria of S31(6). Nonetheless, different airports may serve some segments of aviation demand better than others and each faces a different set of operating constraints; not all available capacity within the London airport system may be considered viable alternatives for all operators.

2.32 The data on air cargo show that volumes are heavily concentrated at Heathrow and mostly move by means of bellyhold. This suggests there could be network benefits from whole-plane cargo operators increasing their operations at Heathrow, to allow for greater connectivity with bellyhold routes and to make use of substantial cargo facilities at, and in the vicinity, of the airport. Despite there being fewer defined peak periods at Gatwick compared with Heathrow, we have not seen much, if any, whole-plane cargo activity at Gatwick. This, alongside what we heard from GAL in response to our Call for Inputs (see chapter 3 below), suggests there may be other barriers – such as a lack of appropriate infrastructure or proximity to sorting hubs – or general unsuitability that makes Gatwick a less attractive alternative for whole-plane cargo and particularly the integrator business model.

2.33 East Midlands may offer some alternative to whole-plane cargo operators but is a considerable distance from the London area and therefore potentially less convenient for integrators to serve customers in the Southeast of England. However, given its spare capacity and operating hours flexibility, it likely provides some value for next-working-day delivery business models. If Manston was to re-open in the future, then that may also provide an alternative for whole-plane cargo operators, given persistent airport capacity constraints in the Southeast of England.

2.34 The data show that GA/BA operate from a variety of airports across the UK and in the Southeast of England, but that there is limited activity at Heathrow and Gatwick. This might reflect the restrictive nature of the 1991 TDRs, but it is also consistent with our expectations about the nature of GA/BA demand and its willingness and ability (given slot constraints) to operate at these airports. It is likely that the 1991 TDRs are not significantly impacting the ability of GA/BA to operate at Heathrow and Gatwick. Instead, GA/BA's needs may already be better served, at more affordable prices, elsewhere.

CHAPTER 3

High-level summary of responses to Call for Inputs

3.1 We received 23 responses[43] from a range of stakeholders, including airports, passenger and cargo airlines, trade bodies and ACL. Views differed significantly across stakeholder types, reflecting their differing business models and interests. This chapter provides a brief overview of stakeholders' responses. A fuller summary of responses is shown in Appendix A.

Airport Coordination Limited

3.2 ACL was clear that the 1991 TDRs materially constrain its role as an independent slot coordinator. It said the rules:

- exclude cargo and GA/BA from initial slot allocation at Heathrow and Gatwick and restrict them to limited *ad hoc* access;
- effectively override the neutral, non-discriminatory framework of the Slot Regulations; and
- are not necessary, as capacity can instead be managed through airport capacity declarations, local rules and consultation processes.

3.3 ACL noted that if the 1991 TDRs were removed, then capacity allocation at Heathrow and Gatwick would be governed solely by the Slot Regulations, and the processes would be brought into line with those at other UK coordinated airports.

Whole-plane cargo operators and associations (AICES, EEA, DHL, FedEx, UPS, Logistics UK)

3.4 Whole-plane cargo operators and their representatives were consistently and strongly in favour of revocation. They considered that substitutability between airports is especially low for express cargo business models because of timing, location and connectivity needs. They said the 1991 TDRs:

- amount in practice to a ban on whole-plane cargo operations during peak periods at Heathrow and Gatwick;
- are outdated and anti-competitive, preventing entry into key markets and favouring passenger services;

[43] The non-confidential versions of those responses are also available at Traffic distribution rules

- restrict access to critical time windows, undermining reliability of time-sensitive services (particularly express delivery models);
- force operators to use more distant airports (including East Midlands, Stansted and Luton), increasing costs and requiring road transport; and
- are inconsistent with the principles in the WASG.

3.5 Overall, cargo stakeholders considered that revoking the 1991 TDRs would be an important step in enabling more efficient allocation of capacity and better reflect the economic value of air freight. They also considered there to be alternative mechanisms available to encourage efficient use of capacity. However, some also noted that even if the 1991 TDRs were revoked, other barriers would continue to limit whole-plane cargo operations at certain airports, including local rules and night flight restrictions.

3.6 Logistics UK was open-minded on whether the 1991 TDRs should be retained, revised or revoked, but noted that any changes should balance efficient use of airport capacity with fair and proportionate treatment of passenger and whole-plane cargo services and be aligned with principles of neutrality, transparency and non-discrimination.

Airport operators

3.7 Airport operators' views were more mixed but generally supportive of retaining the rules, at least in the short term. Most viewed that the question of whether the 1991 TDRs remain appropriate must be considered in the context of the broader slot allocation framework and any reform.

Heathrow Airport Limited

3.8 HAL supported retaining the 1991 TDRs as a necessary congestion management tool in the short term. It emphasised that Heathrow operates under severe capacity constraints (including the 480,000-movement cap), its hub model depends on dense passenger networks that also carry most of the cargo in bellyhold, and that the 1991 TDRs help ensure capacity is used for high-value services.

3.9 HAL argued the rules are proportionate and allow for some access via historic and *ad hoc* slots, which can support competition by freeing capacity when appropriate. It was open to targeted adjustment – such as to improve flexibility to align with future capacity expansion without requiring major legislative changes – but not removal at this stage.

Gatwick Airport Limited

3.10 GAL also supported retaining the 1991 TDRs. It highlighted that Gatwick's peak capacity is fully utilised (including at night), that it has limited cargo infrastructure

and no recent history of scheduled whole-plane cargo operations and that whole-plane cargo is operationally unsuited to Gatwick, for example, because of their long on-stand times.

3.11 GAL considered that the 1991 TDRs have supported passenger network growth and competition and that growth in whole-plane cargo and GA/BA activity is better accommodated elsewhere. It said that if the 1991 TDRs were revoked, then airport charges would need to be reviewed to reflect infrastructure requirements and the opportunity cost of use of infrastructure by whole-plane cargo.

Manchester Airports Group

3.12 The Manchester Airports Group ("MAG") supported the removal of the 1991 TDRs. It considered that the rules distort competition within the London system by diverting cargo activity to Stansted and said they are outdated, given all major London airports now experience peak-time congestion and because Heathrow, Gatwick and Stansted now serve the same catchment. It also noted that, if revoked, there are other ways of managing capacity, for example through capacity declarations, local rules or potentially through charging mechanisms.

3.13 However, it said that if the 1991 TDRs were to be retained, they should at least be extended to cover Stansted too, to ensure a level playing field.

London Luton Airport

3.14 London Luton Airport ("LLA") expressed a more nuanced position. It noted the 1991 TDRs had historically supported its development as an alternative for GA/BA and some whole-plane cargo but also recognised that market conditions have changed significantly. LLA supported moving toward a more flexible framework that would allow for any Level 3 coordinated airport to apply for inclusion in TDRs where justified.

Other airport stakeholders

3.15 These stakeholders generally supported retaining (and in some cases extending) the 1991 TDRs. **AirportsUK** saw them as a necessary tool to prevent capacity from being used in ways that do not deliver the greatest overall network or consumer benefit, while allowing some flexibility where justified. The **Regional and Business Airports Group** ("RABA") considered that the 1991 TDRs help protect higher-value passenger traffic and promote regional development in a way that the WASG or market pricing cannot, by directing other traffic types to less congested airports. **RiverOak Strategic Partners** ("RiverOak"), owner of Manston Airport, strongly supported retention, emphasising the role of regional freight airports and a nationally coordinated cargo strategy.

Passenger airlines and their trade bodies

3.16 Passenger airline views were split, but with a tendency to support retention among incumbents at constrained airports.

3.17 **The International Airlines Group ("IAG"), Virgin Atlantic and TUI** supported retaining the 1991 TDRs. IAG and Virgin Atlantic both made the point that revoking the 1991 TDRs before any capacity expansion comes online would be premature. They considered the rules help ensure scarce capacity is used for higher-density passenger services, support hub connectivity and network efficiency and prevent inefficient use of slots, for example, by lower-throughput operations such as business aviation or some whole-plane cargo.

3.18 **American Airlines** considered that TDRs are an outdated mechanism that can be discriminatory and distort competition. It advocated reliance on the WASG as a fair global standard. However, it also urged caution to avoid unintended consequences and to ensure any reform aligns with wider slot policy reforms and Heathrow expansion.

3.19 Some also considered that the 1991 TDRs are not currently binding in practice due to extreme slot scarcity but should still be retained as a safeguard.

3.20 **easyJet and the Lufthansa Group** supported revocation.

- easyJet considered that the 1991 TDRs are outdated, distortive and unnecessary and conflict with modern slot allocation principles and should be revoked before any significant new capacity from airport expansion is released, to avoid embedding the rules within future capacity allocation frameworks.
- The Lufthansa Group emphasised that the rules prevent whole-plane cargo operators from obtaining slot series, undermining long-term planning, investment and operational efficiency.

3.21 **Ryanair** supported retention and proposed extending similar restrictions to Stansted to prioritise passenger services.

3.22 **IATA** strongly supported revocation, arguing the rules are inconsistent with WASG principles, discriminate against whole-plane cargo operators and reduce predictability and efficiency in global cargo markets.

3.23 **Airlines UK** reflected divergent member views, noting tensions between passenger airline priorities (connectivity, efficiency and resilience) and cargo operator priorities (access, predictability and growth). It cautioned that reform could have unintended effects (for example, increased GA/BA activity) and should be considered alongside wider slot policy.

Overall summary

3.24 Across stakeholders, views broadly aligned with underlying commercial interests:

- ACL and whole-plane cargo operators supported revoking the 1991 TDRs to enable non-discriminatory access and greater flexibility;
- major airports and incumbent passenger airlines generally support retention (noting there were some that supported revocation), emphasising efficient use of scarce capacity and protection of passenger networks; and
- other stakeholders adopted more mixed or conditional positions, often linking reforms of the 1991 TDRs to wider slot policy reforms and, possibly, airport capacity expansion being delivered.

3.25 Despite these differences, there was broad agreement that capacity at Heathrow and Gatwick is highly constrained, and that the policy objective should be to ensure its efficient and economically valuable use within a coherent and modern regulatory framework.

CHAPTER 4

Our views and draft advice

Introduction and purpose

4.1 This chapter sets out our assessment of whether the 1991 TDRs remain an appropriate and proportionate mechanism for regulating the use of airport capacity in the London area. It draws on the legislative framework described in chapter 1, the market context set out in chapter 2, and stakeholder views summarised in chapter 3 and Appendix A.

4.2 Our role under the AA86 is to provide independent advice to the SoS before any decision is taken to retain, amend or revoke TDRs. In this chapter, we therefore move from description and evidence gathering to evaluation and regulatory judgement and set out our draft advice for consultation.

4.3 The structure of this chapter is as follows:

- assessment framework;
- changing context
- the extent to which the 1991 TDRs have a substantive effect on market outcomes today;
- alternative mechanisms for ensuring efficient use of capacity;
- administrative burden reduction;
- compatibility with future capacity expansion;
- draft advice to the SoS; and
- views invited and next steps.

Assessment framework

4.4 We have adopted an assessment framework grounded in **our statutory duties** (see paragraph 1.10 in chapter 1). In particular, we have had regard to the need to secure the sound development of civil aviation throughout the UK, the reasonable interests of users of air transport services, and any relevant policy considerations notified by the SoS. We have also therefore had regard to the ministerial views quoted in paragraph 1.12 of chapter 1, indicating that the 1991 TDRs may be outdated and inconsistent with the WASG principle that slots at congested airports should be allocated in an open, fair, transparent and non-discriminatory manner. Our assessment framework is also consistent with

the letter from the SoS to the CAA on 20 April 2026[44] on the CAA's priorities for 2026/2027, where there is a focus on smarter regulation that promotes growth and innovation, and on modernising the CAA's focus on aviation's passenger and freight consumers.

4.5 We assess whether the 1991 TDRs remain **coherent and effective** by considering their consistency with the current slots framework, including the Slot Regulations and the WASG, and whether they continue to have a material practical influence on outcomes. This includes assessing the extent to which the 1991 TDRs meaningfully shape airport use or congestion outcomes in the presence of other binding constraints, such as slot scarcity, night flight restrictions, planning conditions and airport commercial incentives.

4.6 We assess the **proportionality and competitive effects** of the 1991 TDRs by considering whether they remain a justified regulatory intervention in light of current market conditions. This includes examining their effects on different traffic classes and on competition both within and between airports, as well as whether they support or hinder the efficient use of scarce airport capacity.

4.7 Finally, we consider the **future adaptability** of the 1991 TDRs, including their suitability in the context of likely developments such as potential slot reform and prospective capacity expansion. This includes assessing whether the 1991 TDRs are resilient to plausible future scenarios or if they risk constraining efficient outcomes as the aviation system evolves.

Changing context

Changed regulatory context

4.8 When the 1991 TDRs were introduced, the regulatory framework for airport capacity allocation was materially different from that which applies today. In particular, the current legal framework of airport slot regulation, with independent coordination ensuring the neutrality and non-discrimination of slot allocation did not yet exist.

4.9 Since 1993, airport slot allocation in the UK has been governed by legislation that requires capacity at coordinated airports to be allocated in an open, fair, transparent and non-discriminatory manner. Independent coordination by ACL, together with airlines' ability to exchange or trade slots, now plays a central role in determining how scarce airport capacity is used.

4.10 As ACL is the independent slot coordinator, we gave significant weight to the views expressed in its response where it considered that the 1991 TDRs effectively overrides the neutral, non-discriminatory duties under the Slot

[44] See cap3241-secretary-of-state-priorities-letter-final.pdf

Regulations, echoing the ministerial consideration. ACL also noted that removing the 1991 TDRs would allow more transparent, flexible and consultative capacity management, similar to what happens at other airports, such as Stansted and Luton.

4.11 Generally, all stakeholders who responded to our Call for Inputs recognised the need to allocate and use scarce capacity efficiently. We recognise that there were a range of different views on the extent to which the 1991 TDRs are a continuing necessary and effective tool to achieve that aim. Many stakeholders recognised that alternative mechanisms to the 1991 TDRs already exist that are more flexible and would better promote efficiency at the margin. Those who wanted to retain the 1991 TDRs tended to assume that removing them would likely lead to a material increase in whole-plane cargo or GA/BA operations at capacity constrained airports, which could have impacts on their commercial interests, and would prefer this mechanism to be considered alongside wider slot policy reforms.

4.12 As further explained below, we have come to the view that any changes to market outcomes brought about by the removal of the 1991 TDRs would likely be small and, to the extent they would materialise, would likely be in the reasonable interests of consumers and consistent with the sound development of civil aviation throughout the UK.

Changed market context

4.13 The market context in which the 1991 TDRs operate has also evolved significantly since 1991. At the time of introduction, Heathrow, Gatwick and Stansted were under common ownership, Stansted had substantial spare runway capacity and inter-airport competition within the London area was much more limited.

4.14 Today, London area airports operate under separate ownership and compete more directly for airlines, passengers and certain categories of traffic. Demand for air travel has increased substantially, and capacity constraints at the largest London airports are now structural and persistent.[45]

4.15 In parallel, the natures of cargo, express and GA/BA operations have evolved. Bellyhold freight, carried on passenger services, accounts for the vast majority of cargo volumes at Heathrow and Gatwick. Whole-plane cargo services and GA/BA have increasingly made use of alternative airports in the Southeast of

[45] See, for example, Competition and Markets Authority (2016), "BAA airports: Evaluation of the Competition Commission's 2009 market investigation remedies" for an analysis of how competition developed following the break-up of BAA and the introduction of the Civil Aviation Act 2012, a more flexible framework for the economic regulation of UK airports.

England, and, in the case of whole-plane cargo, at East Midlands with more suitable infrastructure and operating conditions.

The extent to which the 1991 TDRs have a substantive effect on market outcomes today

4.16 A central question for our assessment is the extent to which the 1991 TDRs materially affect outcomes in current market conditions, as opposed to being largely superseded by other constraints. At both Heathrow and Gatwick, runway and slot capacity remains extremely scarce, particularly during declared periods of peak congestion. In practice, this scarcity is primarily driven by movement caps, declared capacity and slot availability, rather than by the 1991 TDRs themselves.

Whole-plane cargo operators

4.17 For whole-plane cargo operators, the 1991 TDRs effectively restrict access to peak periods at Heathrow and Gatwick. However, even in their absence, any new or expanded whole-plane cargo operations would face significant barriers in acquiring suitable slots, particularly during peak periods, given the lack of slots available for primary allocation and the value incumbent airlines require to trade their slot holdings.

4.18 Our assessment is that revocation of the 1991 TDRs would be unlikely to lead to a material or rapid increase in whole-plane cargo services at Heathrow or Gatwick because of the other barriers or factors (discussed above in chapter 2 and chapter 3) which are likely to persist in the absence of the 1991 TDRs and which disincentivise or prevent whole-plane cargo from operating at either Heathrow or Gatwick. While certain marginal opportunities might arise, particularly through secondary markets, these are expected to be limited. Whole-plane cargo movements are also a small segment of total movements in general and any requirement they may have would not represent a significant share of total slots.

4.19 Heathrow slots may be more valuable to whole-plane cargo operators than Gatwick, given the potential synergies available arising there from the significant bellyhold cargo volumes transiting through the airport and the large associated community of freight forwarders and freight processing facilities operating at and in the vicinity of the airport. In the past 20 years, there have been very few whole-plane cargo services at Gatwick. We see less evidence that there would be strong demand for whole-plane cargo operators wishing to enter Gatwick, and the airport has less available capacity for processing cargo.

4.20 While revoking the 1991 TDRs is unlikely to have a material impact on slot usage in the short to medium term, there are still potential benefits from revoking them to drive greater economic efficiency at the margin. In most circumstances,

commercial passenger services may be a better use of capacity at the large, increasingly congested, London airports. However, there could also be limited specific cargo services that have the potential to provide significant economic benefits when compared with more marginal passenger services. For instance, whole-plane cargo operations carrying high volumes of time-sensitive cargo to, from or through the Southeast of England may be able to provide more economic benefits than certain commercial passenger short-haul routes using small aircraft and/or with low load factors.

4.21 In this context, we see the potential benefits of removing the restrictions created by the 1991 TDRs that effectively prevent whole-plane cargo operators from obtaining slots needed for regular operations, as these may be the most economically valuable services in specific marginal cases. This is particularly likely to be the case if these operators are able to acquire slots in the secondary market from incumbent airlines. Maintaining the 1991 TDRs has the potential to dampen investment in cargo services and reduce benefits to the wider economy through scarce airport resources not being allocated to the most economically valuable service.

General and business aviation

4.22 GA/BA operations are similarly constrained by slot scarcity and operational requirements at Heathrow and Gatwick. Business aviation demand is typically irregular and does not align well with the historic-rights-based slot allocation system.

4.23 Based on stakeholder engagement, observed activity, and the rules for qualifying for grandfathering rights, we consider it unlikely that GA/BA operators would obtain regular slot series at Heathrow or Gatwick regardless of whether the 1991 TDRs remain in place. GA/BA activity would, therefore, continue to rely largely on *ad hoc* slots, to the extent they are made available at Heathrow and Gatwick, and on alternative airports such as Luton, Farnborough, Biggin Hill, Southend, Northolt and others.

Alternative mechanisms for ensuring efficient use of capacity

4.24 A key issue raised by stakeholders is whether revoking the 1991 TDRs would undermine the efficient use of scarce airport capacity. Our assessment is that this would not be the case, given the range of alternative tools now available within the existing regulatory framework to manage capacity efficiently.

Slot regulation mechanisms, local rules and coordination processes

4.25 Under the Slot Regulations, airport operators determine declared capacity parameters, which ACL must take into account when allocating slots or approving slot exchanges. These declarations should reflect physical and operational constraints, including limitations on aircraft stands (which may need

to have specific characteristics to handle whole-plane cargo services), terminals or cargo facilities.

4.26 In addition, local guidelines (also commonly referred to as local rules) developed through coordination committees, which include airport users, may supplement slot allocation rules to address airport-specific issues. Together, these mechanisms allow airports to manage congestion and prioritise capacity use without relying on hard-edged regulatory tools like the 1991 TDRs.

4.27 In addition, the operation of secondary slot trading is expected, over time, to support higher slot productivity at capacity-constrained airports. As capacity has become more scarce, evidence suggests that slots have increasingly migrated towards uses that generate greater economic value, including through airlines up-gauging aircraft, increasing load factors and redeploying slots to longer-haul or higher-yield services (for example, see Figure 2.5). This dynamic adjustment through the secondary market provides a mechanism for improving the efficiency of slot use over time, without the need for categorical restrictions on particular traffic types.

Airport pricing and charging tools

4.28 Airport operators also have scope to influence how capacity is used through the structure of airport charges, subject to applicable legal and regulatory obligations, notably:

- competition law;
- the consultation, transparency and non-discrimination requirements in the Airport Charges Regulations 2011; and
- any licence conditions imposed under the Civil Aviation Act 2012 regulatory framework, currently applicable at Heathrow and Gatwick.

4.29 Pricing can reflect differences in cost, infrastructure use and scarcity and can, therefore, play a role in encouraging efficient outcomes.

4.30 We recognise that some airports may have limited commercial incentives to accommodate whole-plane cargo or GA/BA operations, given that such services typically generate lower overall revenues than commercial passenger air transport services (which can also include bellyhold cargo services). Whole-plane cargo operators do not pay “per passenger” charges, which account for a significant proportion of airport charge revenues at Heathrow and Gatwick; nor do they generate non-aeronautical revenues associated with passenger facilities, such as retail, car parking and surface access, which can also represent an important component of an airport’s revenues and profits.

4.31 That said, whole-plane cargo and GA/BA users can generate other commercial opportunities for airport operators and may already contribute proportionately

more through certain elements of airport charges, including minimum departure charges and landing and environmental charges, reflecting factors such as aircraft size, operating characteristics and noise performance. While airports are required to apply charges on a transparent and non-discriminatory basis, this does not preclude airport operators from reviewing or adapting the structure of charges to better reflect differences in cost drivers, infrastructure use or opportunity costs associated with scarce capacity. For example, HAL has previously proposed the introduction of a weight-based cargo charge with an associated minimum cargo charge for cargo movements to ensure charging reflects the use of airport facilities.[46] This suggests that airports may have flexibility within the existing regulatory framework to explore alternative charging structures that support fair cost recovery and efficient use of airport facilities.

Condition C4 of HAL's licence

4.32 We note that Condition C4 ("Charges for Cargo Only Operators") of HAL's licence[47] prohibits it from levying charges on whole-plane cargo flights that are higher than the equivalent charges for passenger and GA/BA flights. This may have some effect in restricting HAL's ability to differentiate airport charges for whole-plane cargo air services in addition to the wider non-discrimination, consultation and transparency obligations placed on it, for example, by the Airport Charges Regulations 2011.

4.33 We note that this condition is a long-standing feature of HAL's price control arrangements, introduced in a materially different regulatory and market context.[48] Since its introduction, the framework governing airport charging and conduct has evolved significantly. HAL is now subject to a broader set of non-discrimination obligations, including those under the Airport Charges

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46 See HAL 2023 charges consultation. Under the proposals, the same weight-based cargo charge would also apply to bellyhold cargo and, as it would be recovered as part of the maximum allowable yield, it would have therefore driven down other types of airport charges to passenger airlines. However, following consultation with airlines, this proposal was not implemented on that occasion – see HAL's 2023 aeronautical charges direction statement.

47 The licence granted to HAL (January 2026) is available at Heathrow licence and monitoring.

48 This condition was first introduced in February 2003 by the CAA's Q4 Decision on the Economic Regulation of BAA Airports – see "HEATHROW CONDITION 2", "GATWICK CONDITION 2" and "STANSTED CONDITION 2" of Annex. This followed a recommendation from the Competition Commission stipulating that "*aircraft charges relating to non-passenger flights should not be included in the normal cap, but should be subject to a separate condition that they must not exceed the charges relating to equivalent passenger flights.*" – see paragraph 2.306 of Competition Commissions' November 2002 report, Chapter 2 (Conclusions). This condition was not included in the CAP1152 Economic regulation at Gatwick from April 2014: Notice granting the licence as the CAA did not find that GAL had substantial market power in the cargo market (see paragraph 2.38), and that condition is not part of the current GAL Licence. Stansted airport was de-regulated in 2014, including in relation to cargo services – see CAP1153: Market power determination for cargo services in relation to Stansted.

Regulations 2011, competition and economic regulatory provisions introduced by the Civil Aviation Act 2012, and through other changes to the competition regime more generally. These frameworks place meaningful constraints on HAL's ability to differentiate charges unfairly between airport users and provide safeguards against exclusionary or anti-competitive charging behaviour.

4.34 As such, it is not clear that Condition C4 continues to be necessary or proportionate as a standalone safeguard. The condition goes beyond requiring non-discriminatory treatment and instead stipulates that charges levied on whole-plane cargo air services cannot be higher than equivalent charges applicable to passenger and GA/BA air services, irrespective of differences in cost drivers, infrastructure usage, operational characteristics or the opportunity costs associated with scarce capacity.

4.35 On the other hand, Condition C4 may also be providing appropriate price control arrangements to protect the interests of cargo owners whose cargo is carried on whole-place cargo services. Passengers and cargo owners whose cargo is carried bellyhold on passenger flights benefit from the operation of HAL's price cap, which is expressed in terms of a maximum revenue yield per passenger.

4.36 If the 1991 TDRs were to be revoked, whole-plane cargo operators in principle could seek greater access to Heathrow if they were to be able to obtain airport slots in secondary slot markets. In such circumstances, it may become more important for the airport operator to have an appropriate level of flexibility in how it structures airport charges for different categories of users, in order to:

- ensure that all users contribute fairly and efficiently to the recovery of airport costs;
- reflect differences in infrastructure use, turnaround times and operational impacts; and
- support the efficient use of constrained airport capacity.

4.37 We welcome initial views from stakeholders on whether Condition C4 continues to be an appropriate approach to further the interests of consumers or whether an alternative mechanism would be preferable. Any alternative would also need to be developed in the context of the broader price control arrangements applicable to HAL.

4.38 In the event that we were to consider that changes to HAL's licence were needed, the development and introduction of those changes would be subject to separate consultation under the normal processes set out in section 22 of the Civil Aviation Act 2012 and would be treated separately from, but take appropriate account of, the outcome of this review.

Administrative burden reduction

4.39 Revoking the 1991 TDRs would also contribute to regulatory simplification and reduce the overall administrative burden on ACL and industry. It would likely contribute to a reduction in regulatory burden and be consistent with Government's Regulatory Action Plan (which includes a commitment to cut the administrative costs of regulation to business by 25 per cent by the end of Parliament).[49] Their removal would streamline the framework that ACL applies when allocating slots, enabling all airlines to operate within a single slot allocation system that is internationally recognised and well understood, without the added complexity of an additional, locally specific regulatory overlay.

4.40 Revocation would also reduce administrative requirements for the CAA. In particular, the CAA would no longer need to conduct seasonal analyses to define periods of peak congestion – a process explained in paragraphs 1.15 to 1.19 of chapter 1 – in coordination with ACL and airport operators, or to publish it through the NATS' Aeronautical Information Service[50] and the CAA's website.

4.41 In order to better understand the scale and nature of these impacts, we welcome views from consultees on the administrative savings that may arise from revocation, including on the simplification of slot allocation processes.

Compatibility with future capacity expansion

4.42 We consider that the 1991 TDRs would become even less appropriate if and when additional runway capacity becomes available at Heathrow or Gatwick. In such circumstances, allocation of new capacity is likely to be governed by reformed Slot Regulations and updated policy objectives, making legacy TDRs increasingly ill-suited to be part of a future framework that allocates that new airport capacity. Revocation in the short to medium term would, therefore, avoid embedding outdated mechanisms into future capacity-allocation decisions. Furthermore, with less peak congestion at those airports, through appropriate slot allocation, there would presumably be a better case for Heathrow and Gatwick to cater for a more diverse range of business models.

[49] See New approach to ensure regulators and regulation support growth (HTML) - GOV.UK

[50] See Aeronautical Information Service - NATS for more information.

Draft advice to the Secretary of State

4.43 Subject to consultation, our draft advice is that the Secretary of State should **revoke the Traffic Distribution Rules 1991**.

4.44 The reasons we are proposing revocation are:

- the 1991 TDRs were introduced in a markedly different regulatory and market context than the one that is relevant today and in the future. The effects of the 1991 TDRs now substantially overlap with, and in some respects cut across, the modern slot-allocation framework;
- we consider that the 1991 TDRs represent a disproportionately rigid intervention that excludes certain categories of traffic, irrespective of economic value or operational context;
- 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;
- alternative regulatory and economic mechanisms are available to ensure efficient use of airport capacity;
- revoking the 1991 TDRs should contribute to the overall simplification of the regulatory framework governing airport capacity allocation in the UK; and
- revocation should also be compatible with future significant expansion of airport capacity in the Southeast of England, as government plans to review the wider slot allocation framework that should apply in those circumstances anyway.

Alternatives options to revocation

4.45 In reaching our draft advice, we have considered a range of alternative options to full revocation of the 1991 TDRs. These included:

- partial revocation, for example, retaining restrictions for GA/BA but not for whole-plane cargo services, or *vice versa*;
- retaining the 1991 TDRs until significant new runway capacity is delivered at Heathrow or Gatwick; and
- retaining but extending the 1991 TDRs to other congested London airports such as Stansted or Luton.

4.46 We have discounted partial revocation because differential treatment between traffic types would continue to rely on hard-edged categorical restrictions and would risk replicating many of the same issues of rigidity, complexity and inconsistency with the slot allocation framework that arise under the current rules. We also do not see a case where GA/BA would be able and willing to

enter Heathrow and Gatwick during periods of peak congestion, although they may continue to make use of *ad hoc* slots, as and when made available.

4.47 Similarly, retaining the 1991 TDRs until future capacity expansion would risk perpetuating an intervention whose practical effects are already largely overtaken by slot scarcity and movement caps, while embedding outdated mechanisms into a period when wider slot reform is likely to be required.

4.48 Finally, extending the 1991 TDRs to additional airports would increase regulatory intervention across the London airport system, further constrain entry for whole-plane cargo and GA/BA operators, risk creating unintended consequences and risk reducing system-wide efficiency, rather than creating efficient mechanisms to deal with airport congestion and its causes.

4.49 For these reasons, we do not consider that these alternative approaches would provide a more proportionate or effective solution than the proposed recommended revocation.

Implementation, monitoring and future intervention

4.50 **We welcome views from stakeholders on both our draft advice to revoke the 1991 TDRs and on when such revocation should occur**. For example, the SoS could:

- revoke the 1991 TDRs as soon as possible; or
- revoke the 1991 TDRs while allowing for a reasonable transition period (for example, two scheduling seasons).

4.51 Subject to consultation, **our preferred approach and recommendation would be for the SoS to allow for a reasonable transition period** because:

- a transition period would reflect the nature of airport capacity planning as a forward-looking activity, generating less uncertainty in the short term;
- this would allow airport and aircraft operators to adapt and consider whether they might need to review any capacity or charging assumptions in advance of the revocation coming into effect; and
- a transition period might also allow Government to secure legislative changes allowing the SoS to reform slot rules further, should that be needed to ensure the overall system can become more effective.

4.52 If evidence emerges of significant future entry by whole-plane cargo or GA/BA operators and that such entry is to the detriment of consumers, DfT can further consider whether there might be a need to make other changes to the airport slot regulatory framework or even to consider reintroducing TDRs.

Views invited and next steps

4.53 We welcome views from stakeholders on the matters set out in this chapter and throughout this document. In particular, we invite views on:

- our draft advice to the Secretary of State that the 1991 TDRs should be revoked;
- the approach to implementation, including whether revocation of the 1991 TDRs should take effect immediately or following a suitable transition period; and
- whether condition C4 in HAL's Licence continues to be necessary or whether an alternative mechanism, ensuring that whole-plane cargo services continue to benefit from appropriate price control arrangements, would be preferable.

4.54 We also welcome views on any other aspect of this document, including on the administrative savings that may arise from revocation, such as on the simplification of slot allocation processes; the description of the regulatory and market context; the role of alternative mechanisms for managing airport capacity; and the potential implications of revocation for different categories of airport users and airports within the London area.

4.55 Responses to this consultation will inform our final advice to the SoS. We are particularly interested in any additional evidence or analysis that stakeholders consider relevant to our statutory duties under the AA86, including the need to secure the sound development of civil aviation, the reasonable interests of users of air transport services and the policy considerations notified to us by the SoS. We intend to provide and publish final advice to the SoS in summer 2026, following which, it will be for the SoS to consider and decide whether the 1991 TDRs are revoked, amended or retained.

APPENDIX A

Summary of responses to Call for Inputs

A1 On 18 December 2025, we published a Call for Inputs, inviting stakeholder feedback. We received 23 responses[51] from airports, passenger and cargo airlines, and their respective trade associations. We also received a response from ACL, the independent airport slot coordinator for UK airports.

A2 Chapter 3 summarised stakeholders' high-level views on the 1991 TDRs. This appendix sets out in more detail stakeholders' views under the following four themes:

- scope and impact of the 1991 TDRs;
- market conditions and serving demand needs;
- alternative mechanisms for efficient use of airport capacity; and
- other policy suggestions.

Scope and impact of the 1991 TDRs

ACL

A3 ACL is the UK's independent slot coordinator for Heathrow, Gatwick, and Stansted, as well as other coordinated airports. ACL said the 1991 TDRs significantly restrict slot allocation for cargo and GA/BA at Heathrow and Gatwick by excluding them from initial coordination and limiting access to peak-time *ad hoc* slots. ACL views the 1991 TDRs as overriding its neutral, non-discriminatory duties under the Slot Regulations. It said that removing the 1991 TDRs would allow more transparent, flexible, and consultative capacity management, similar to what happens at other airports, such as Stansted and Luton.

A4 In the absence of the 1991 TDRs, airports could still use capacity declarations made under Article 6 of the Slot Regulations to manage available capacity (including capacity for cargo operations), rather than applying rigid rules and do so in consultation with stakeholders. Without the 1991 TDRs, all types of operators could be considered for full slot series without needing to obtain prior airport permission.

[51] The non-confidential versions of those responses are also available at Traffic distribution rules

Trade bodies and freight/express operators

A5 The Association of International Courier & Express Services ("AICES"), the European Express Association ("EEA") and cargo-only operators such as DHL, FedEx and UPS considered that the 1991 TDRs effectively ban whole-plane cargo flights at Heathrow and Gatwick during peak hours, excluding express operators from key markets and pushing them to more distant airports. They view the rules as outdated and anti-competitive, favouring passenger airlines despite cargo-only or express movements accounting for a very small share of movements in London airports.

A6 These stakeholders said the 1991 TDRs block access to essential operating windows, reduce service reliability, and are inconsistent with the WASG's open and non-discriminatory principles. They also noted that the rules shift freight to airports like Stansted and Luton, adding to congestion at those airports and limiting time-critical connectivity for businesses in the Southeast of England. Logistics UK was open-minded on whether the 1991 TDRs should be retained, revised, or replaced, but noted that any changes should balance efficient use of airport capacity with fair and proportionate treatment of passenger and cargo services and be aligned with principles of neutrality transparency and non-discrimination.

Airport operators

Heathrow Airport

A7 Heathrow Airport Limited ("HAL") told us that the 1991 TDRs act as a congestion-management tool at Heathrow, helping allocate scarce runway capacity to maximise public benefit when demand exceeds supply. Heathrow's hub model depends on a high-frequency global network, with around 95 per cent of cargo carried in passenger aircraft bellyhold, meaning passenger and freight operations share an integrated system that makes efficient use of the airport's 480,000-movement cap. HAL considered the 1991 TDRs proportionate and effective in protecting the scheduled network and believes they should be retained in the short term, though targeted adjustments could improve their operation.

Gatwick Airport

A8 Gatwick Airport Limited ("GAL") told us that the 1991 TDRs are essential for managing peak-time congestion at Gatwick by prioritising limited capacity for scheduled passenger services, supporting the airport's strong network of over 225 destinations.

A9 Cargo at Gatwick is mainly bellyhold freight handled through constrained cargo facilities, with no plans for their expansion. The 1991 TDRs restrict cargo and GA/BA to *ad hoc* operations, as they cannot gain historic slot rights. Although

some off-peak slots were available for summer 2025, no cargo operators applied.

A10 GAL also noted that whole-plane cargo aircraft require long on-stand times, which Gatwick cannot accommodate. It considers the 1991 TDRs have supported competition and network growth, enabled new airlines and destinations, and believed that future whole-plane cargo expansion is better suited to airports with more space and growth potential.

Manchester Airports Group

A11 MAG told us that due to the 1991 TDRs cargo operators wishing to serve the London market are compelled to use Stansted, even though all three airports (not only Heathrow and Gatwick) now experience peak-time congestion. It considered that the 1991 TDRs discriminated against Stansted, as it competes against Heathrow and Gatwick for commercial passenger traffic. MAG also noted that the DfT has provisionally indicated that the rules appear outdated and inconsistent with the WASG, which require slots at congested airports to be allocated in an open, fair and non-discriminatory manner.

A12 MAG's preferred option is to remove the 1991 TDRs. However, if DfT and CAA consider that the rules allowing Heathrow and Gatwick airport to prioritise passenger services are to remain, MAG considered that, at least, they should apply to Stansted too, as a less preferred option for creating a level playing field.

London Luton Airport

A13 London Luton Airport ("LLA") reported that it is a leading GA/BA airport and that it also acts as an overspill airport for Heathrow's cargo demand by handling whole-plane cargo movements. The 1991 TDRs historically supported its development as a business aviation hub with a small cargo operation, but noted that the market has changed significantly since.

A14 LLA supported replacing the fixed list of airports under the 1991 TDRs with a more flexible mechanism that would allow any Level 3 coordinated airport to apply for inclusion where justified. It also considered that the definition of peak congestion should be updated to reflect non only physical runway capacity but also increasingly binding environmental constraints. LLA said it does not support the allocation of slot series to business aviation or *ad hoc* cargo operators.

AirportsUK

A15 AirportsUK views the 1991 TDRs as a necessary tool for managing congestion at the UK's busiest airports. They help allocate scarce runway capacity to maximise overall passenger and economic benefit, protect scheduled passenger networks, and maintain connectivity at major hubs, while allowing limited access for dedicated cargo and GA/BA where justified.

Regional and Business Airports Group

A16 RABA represents smaller UK airports providing commercial air transport and business aviation services. RABA said the 1991 TDRs continue to be necessary because Heathrow and Gatwick remain capacity-constrained and that the rules should also be extended to other congested airports, namely Stansted and Luton. In its view, passenger slots generate far higher economic value than whole-plane cargo or business aviation slots, so keeping the 1991 TDRs protects system efficiency and preserves the economic value generated by passenger connectivity at congested airports, while promoting regional development by using spare capacity for dedicated freight and business aviation at regional airports.

RiverOak Strategic Partners

A17 RiverOak, owner of Manston Airport, said the 1991 TDRs have been effective in keeping high-value passenger services at constrained hubs and maintaining the UK's highly efficient bellyhold freight model. RiverOak strongly supported keeping the 1991 TDRs and said that removing them would risk displacing passenger services and worsening slot scarcity. RiverOak considered that the rules could also be extended to other congested London airports and that airports such as East Midlands, Doncaster Sheffield, Glasgow Prestwick, Bournemouth, and in the future Manston, would have spare capacity to accommodate growth. Heathrow would continue to act as the national cargo hub with a network of truck-based operations connecting it to regional airports providing whole-plane cargo reliever facilities.

Passenger airlines

International Airlines Group

A18 International Airlines Group ("IAG") told us that the 1991 TDRs help prevent inefficient runway use during peak hours at Heathrow and Gatwick, and that removing or weakening them could undermine resilience, shift scarce peak movements to smaller aircraft, and create operational and economic risks given current capacity constraints and uncertain expansion timelines.

A19 IAG also opposed extending the 1991 TDRs to additional airports, noting that the rules were introduced under lower-congestion conditions but now support runway efficiency, particularly at Heathrow where the 480,000-movement cap limits opportunities for additional access. It cautioned that easing the 1991 TDRs could allow small business jets to gain historic rights at constrained hubs, reducing slot efficiency.

A20 IAG maintained that bellyhold cargo remains the most efficient way to meet demand at slot-restricted airports, with whole-plane cargo needed only in specialised cases. Overall, IAG emphasised that any changes to the 1991 TDRs

should be considered within the wider framework of slot reform and economic regulation to avoid unintended consequences.

easyJet

A21 easyJet considered the 1991 TDRs outdated, arguing they artificially divert traffic, distort markets, and limit access to key airports, reducing consumer choice. It supported revoking the 1991 TDRs.

A22 Although easyJet is not directly affected by the 1991 TDRs, it said they undermine the principle that airlines should set networks based on demand. easyJet considered the rules conflict with the modern WASG-based slot-allocation system, are inconsistent with transparent and non-discriminatory slot management at congested airports and add unnecessary regulatory complexity.

Ryanair

A23 Ryanair considered that the 1991 TDRs do not conflict with the WASG and instead act as a proportionate tool to manage scarce peak capacity. Overall, it recommended extending the 1991 TDRs to ban cargo flights during Stansted's peak hours to maximise consumer benefit and economic value.

A24 Ryanair also noted that London airports' capacity will remain constrained, with no imminent expansion at Heathrow and Gatwick. It therefore considered that the CAA should focus on maximising capacity where it exists – particularly at Stansted, the only major London airport with readily available slots – and proposed extending a TDR-style ban on cargo flights during Stansted's peak periods (06:00–08:55, 14:00–16:55 and 23:00–23:25) to reserve those slots for passenger services.

Lufthansa Group

A25 The Lufthansa Group represents a wide range of airline business models, including both bellyhold cargo on passenger flights and dedicated whole-plane cargo operations. It told us that under the 1991 TDRs, it cannot obtain historic slot rights for whole-plane cargo flights at Heathrow, restricting operations to bellyhold freight only. Lufthansa Cargo has invested in A321 whole-plane cargo aircraft for European cargo services but cannot deploy them at Heathrow despite market opportunities.

A26 It said that operating both bellyhold and whole-plane cargo aircraft at Heathrow would allow it to achieve economies of scale, streamline customer delivery and pick-up processes, make road feeder services more efficient, and improve service quality by reducing offloads and avoiding the need to use secondary airports. It would also support fairer competition between airlines operating narrow-body and wide-body aircraft.

A27 The Lufthansa Group strongly supported aligning UK slot policy with the WASG to ensure efficient, transparent, and non-discriminatory allocation of scarce airport capacity.

TUI Group

A28 The TUI Group operates at Gatwick but not at Heathrow. It said the 1991 TDRs continue to ensure that scarce peak-time capacity is used for higher-density passenger services, which generate far greater economic value than business aviation or whole-plane cargo flights. The TUI Group also emphasised that the 1991 TDRs help protect affordable leisure travel and support the wider tourism economy, benefits that would be undermined if peak capacity were diverted to lower-throughput operations.

Virgin Atlantic

A29 Virgin Atlantic told us that the core principle of the 1991 TDRs, which prioritises scarce airport capacity for passenger services by directing whole-plane cargo operations elsewhere, remains valid. It said the CAA has not yet provided evidence that would justify changing this principle.

A30 Virgin Atlantic noted that Heathrow's current congestion is driven by the airport's legally binding cap of 480,000 air traffic movements and acute slot scarcity, not by the 1991 TDRs. With Heathrow operating at or near effective full capacity, *ad hoc* slots have largely disappeared. There were none available in the Summer 2025 scheduling season, meaning the TDRs are not currently binding in practice. This does not indicate that the rules are redundant but instead reflects exceptional and temporary capacity constraints at Heathrow. It argued that altering or revoking the 1991 TDRs before any airport expansion at Heathrow or Gatwick would be premature, as future capacity and demand will fundamentally reshape slot availability and competition.

American Airlines

A31 **American Airlines** considered that TDRs are an outdated mechanism that can be discriminatory and distort competition. It advocated reliance on the WASG as a fair global standard. However, it also urged caution to avoid unintended consequences and to ensure any reform aligns with wider slot policy reforms and Heathrow expansion.

Airline trade bodies

Airlines UK

A32 Airlines UK represents a broad spectrum of UK passenger and cargo carriers. While the association generally supported open market access and the application of the WASG over mechanisms such as the 1991 TDRs, it noted that member views on the practical impact of the 1991 TDRs differ. These differences reflect the range of business models within its membership: passenger airlines

prioritise passenger choice, network resilience, and connectivity at already-constrained airports, while cargo operators highlight the vital role of air freight in supporting the economy in the Southeast of England.

A33 Airlines UK cautioned that amending the 1991 TDRs could lead to increased GA/BA activity at capacity-constrained airports, potentially exacerbating congestion and reducing throughput due to greater wake-vortex separation requirements for lighter aircraft. Although such flights are typically *ad hoc* and unlikely to secure slot series, it was of the view that any reforms should ensure that the slot and capacity framework continues to support both passenger and cargo operators. It said that future changes should therefore be developed within a holistic framework that accounts for planned airport expansions and broader system impacts.

IATA

A34 The International Air Transport Association ("IATA") represents airlines accounting for 80 per cent of global air traffic, including most operators at Heathrow and Gatwick. It advocates for fair and efficient capacity allocation under the WASG. IATA considered the 1991 TDRs to be in direct conflict with WASG principles because they prevent whole-plane cargo operators at Heathrow and Gatwick from securing historic slot rights, creating structural disadvantages for the air-freight sector, reducing schedule certainty, and undermining long-term planning in a market vital to global trade.

A35 IATA said that the 1991 TDRs reduce predictability for cargo operations, weaken time-critical connectivity, create competitive imbalance between passenger and cargo services, and diminish the UK's attractiveness as a cargo gateway. In its view, retaining the 1991 TDRs would continue to restrict cargo operators to limited *ad hoc* access, increasing congestion, operational and investment risk, and harming the UK's competitiveness as a freight hub.

Market conditions and serving demand needs

Airport Coordination Limited

A36 ACL provided evidence showing that trends in cargo and GA/BA activity vary across airports and are shaped by both the constraints imposed by the 1991 TDRs and local operational or market conditions and in some cases, local rules. At Heathrow and Gatwick, the 1991 TDRs restrict access for cargo and GA/BA operations, which has resulted in consistently low levels of activity, with outcomes at Gatwick also influenced by local rules. In contrast, airports that are not subject to the 1991 TDRs, including Luton, East Midlands and Manchester, display activity patterns that are influenced primarily by local capacity declarations and wider market factors. Stansted, which is also not limited by the

TDRs in relation to GA/BA activity, has experienced growth where the airport has chosen to allow such operations.

Trade bodies and freight/express operators

A37 AICES and other cargo stakeholders have told us that there have been major changes in aviation since the 1991 TDRs were introduced: increased passenger traffic limits peak capacity, while global supply chains require more overnight express operations and less use of bellyhold space. They identified the 1991 TDRs as a major, long-standing barrier for cargo/express operations at Heathrow and Gatwick, preventing access to key time windows for cargo and express operators.

A38 Using alternative airports is not viable for express operators, as it reduces service speed and reliability. These barriers prevent fair entry and expansion for the sector, despite its economic value.

A39 UPS highlighted that express air freight operates fundamentally differently from passenger aviation. The sector depends on late-evening collections and early-morning deliveries, making night-time capacity essential. It told us that the current market conditions show Stansted Airport is at or near night-time capacity, including restrictions on aircraft types and seasonal quota constraints. Luton Airport's expansion excludes additional cargo growth, limiting alternatives. Further, Heathrow and Gatwick Airports remain effectively closed to new whole-plane cargo services, both due to 1991 TDRs and local slot-management rules.

A40 UPS have stated that substitutability across airports is low. Without access to a gateway in the Southeast of England, volumes must be trucked from East Midlands Airport, increasing daytime road congestion and operating costs, and reducing the reliability of next-day international delivery services.

Airport operators

Heathrow Airport

A41 HAL explained that most cargo at Heathrow is carried in the bellyhold of scheduled passenger flights, meaning cargo capacity depends on the scale and frequency of the passenger network. Passenger and cargo operations are mutually reinforcing, with whole-plane cargo providing additional resilience and regional coverage.

A42 HAL stated that the 1991 TDRs play an important role in ensuring scarce runway capacity is used efficiently during periods of congestion, preventing capacity from being diverted to lower-value uses. It highlighted recent cases where the 1991 TDRs enabled capacity to return to the market, supporting new entrant passenger airlines and increasing competition, including on routes such as Delhi and Mumbai. The 1991 TDRs also prevented the replacement of a passenger

service with a whole-plane cargo service where this would not have represented efficient use of constrained capacity.

A43 HAL explained that the 1991 TDRs do not prevent access for cargo or GA/BA, both of which continue to operate at Heathrow through a combination of historic and *ad hoc* slots. Cargo operators such as DHL, Cathay Cargo, Singapore Airlines Cargo and Korean Air Cargo retain historic rights, while additional *ad hoc* slots have supported ongoing growth. Other whole-plane cargo carriers, including Turkish Cargo, Emirates SkyCargo and Qatar Airways Cargo, have also operated at Heathrow. HAL noted that GA/BA similarly receive a substantial volume of *ad hoc* slots each season, illustrating that the 1991 TDRs operate as a congestion-management mechanism rather than a barrier to access.

Gatwick Airport

A44 GAL told us that its runway capacity is fully allocated during peak periods throughout the year, including the night period governed by the Night Quota, meaning no additional night-time slots are available unless Government increases the quota. It noted that winter night capacity, which has previously accommodated some GA, is now fully used, with GA activity moving to other airports such as Farnborough and Biggin Hill. GAL explained that whole-plane cargo operations in London are concentrated at Stansted, Heathrow and Luton, and that Gatwick has had no scheduled whole-plane cargo services for around 20 years, aside from occasional charters. It highlighted that Gatwick's cargo activity is instead driven by bellyhold freight and expected this to grow in line with long-haul passenger services at the airport.

Manchester Airports Group

A45 MAG told us that the 1991 TDRs place Stansted Airport at a disadvantage by restricting cargo and GA/BA movements at Heathrow and Gatwick, which in turn diverts whole-plane cargo operators to Stansted during peak periods. It noted that all three London airports now serve the same catchment and all experience peak-time congestion, unlike when the 1991 TDRs were first introduced. MAG highlighted that passenger volumes at Stansted during the 06:00–18:00 period have grown by more than 60 per cent from 12.8 million in 2013 to 20.6 million in 2025, illustrating that applying restrictions only at Heathrow and Gatwick is increasingly outdated.

London Luton Airport

A46 Since 1991, GA/BA activity at LLA has changed significantly, shifting from predominantly non-commercial light aircraft movements to almost exclusively business jet operations. GA/BA activity has now returned to pre-pandemic levels and continues to grow, although it is increasingly constrained across the London airport system, particularly during night-time periods.

A47 Over the same period, the dedicated cargo market at LLA has contracted substantially, with cargo flights declining by around 50 per cent as operators have moved towards bellyhold freight at Heathrow or consolidated operations at East Midlands and Stansted airports.

A48 The digitalisation of documents and parcels has also eliminated the small "datapost" services that were common in 1991. Environmental and planning restrictions across London airports now limit operational flexibility for both GA and cargo operators, leading to a greater reliance on alternative airports such as East Midlands for cargo and Farnborough, Biggin Hill and Oxford for GA, albeit with reduced convenience for London-bound users.

AirportsUK

A49 AirportsUK stated that passenger and cargo operations are complementary, with most air freight transported in the bellyhold of passenger aircraft, while dedicated whole-plane cargo airports provide additional resilience and coverage. They noted that the 1991 TDRs support the majority of transport users by promoting competition, lower fares and network diversification, while continuing to allow limited access for dedicated cargo and GA/BA. These measures help support consumer outcomes, including connectivity and choice.

Regional and Business Airports Group

A50 RABA said whole-plane cargo and business aviation can readily operate from unconstrained regional airports, meaning these markets are highly substitutable, unlike passenger services at major hubs. RABA suggested that the most efficient system-wide mechanism is retaining 1991 TDRs and expanding them to other congested airports, notably Stansted and Luton once they reach peak-period slot constraint.

RiverOak Strategic Partners

A51 RiverOak said that whole-plane cargo traffic is easily moved to regional airports with ample capacity (such as Manston, Doncaster, Bournemouth). It highlighted that international evidence shows hub protection is normal and necessary.

Passenger airlines

IAG

A52 IAG told us that Heathrow is the UK's primary hub airport and largest port by value, with around 95 per cent of cargo transported in the bellyhold of passenger aircraft. It emphasised that whole-plane cargo operations and bellyhold cargo should be viewed as complementary rather than substitutive, and that targeted whole-plane cargo access should be considered where no effective bellyhold alternative exists.

A53 IAG also noted that Stansted is generally better suited to accommodate whole-plane cargo operations and that any expansion of whole-plane cargo activity at Heathrow should be carefully assessed in terms of runway and infrastructure efficiency. Nonetheless, it recognised that there is a justified, limited role for whole-plane cargo at Heathrow in cases where proximity, connectivity or the nature of the cargo makes alternative airports materially less efficient.

Lufthansa Group

A54 The Lufthansa Group told us that London's constrained airport capacity makes securing slots, particularly for *ad hoc* operations, extremely difficult. East Midlands Airport cannot serve as an effective substitute because it lacks sufficient long-haul connectivity and is too distant from major shippers and receivers in the London area.

A55 It also said that the 1991 TDRs prevent cargo operators from applying for and retaining slot series, which undermines long-term planning and investment. It therefore did not support extending or tightening the 1991 TDRs and consider that they should be revoked because they conflict with modern slot-allocation principles and continue to discriminate against cargo operators.

Airline trade bodies

IATA

A56 IATA told us that the role of air cargo has transformed since 1991, becoming essential to global trade, just-in-time supply chains and e-commerce, while London's airport capacity has not kept pace with demand. Congestion at Heathrow, Gatwick and Stansted makes it difficult for whole-plane cargo operators to secure slots, forcing inefficient road transfers and, in some cases, diversion to airports such as East Midlands, which cannot replicate London's long-haul connectivity. Both bellyhold and dedicated whole-plane cargo operations are now critical to supply chain resilience, yet it considered that the 1991 TDRs discriminate against whole-plane cargo and limit access to London's core markets.

Alternative mechanisms for efficient use of airport capacity

Airport Coordination Limited

A57 ACL said that, without the 1991 TDRs, efficient use of capacity would be managed through Article 6 airport capacity declarations, allowing airports to set transparent, infrastructure-based parameters applied equally to all operators and adjusted through consultation.

A58 ACL also noted that airports could use pricing tools to influence traffic types, and that secondary-market slot trading provides an alternative route for cargo or GA/BA operators seeking peak-time access. ACL said that in the absence of the

1991 TDRs, it would allocate slots under the Slot Regulations and the WASG, ensuring neutrality, transparency and non-discrimination, and considered these mechanisms more appropriate and transparent than the 1991 TDRs.

Trade bodies and freight/express operators

A59 AICES and freight/express operators said that the 1991 TDRs are rigid and do not reflect international best practice. It favoured more proportionate and flexible mechanisms to promote efficient and fair use of airport capacity, especially for time-critical users such as express freight.

A60 Stakeholders noted that differential or dynamic charging could form part of a demand-management framework, enabling airports to price scarce capacity in a way that encourages efficient use while avoiding exclusionary approaches.

A61 Stakeholders highlighted the role of transparent capacity declarations, updated *ad hoc* allocation rules, and non-discriminatory disruption prioritisation processes. They advised that these should enable express cargo flights to compete on equal terms with passenger services, recognising their operational characteristics and high economic contribution.

Airport operators

Heathrow Airport

A62 HAL considered that the 1991 TDRs should be assessed within the context of the wider slot-allocation system, as efficient use of peak-time capacity depends on how slots are declared, utilised, returned and redistributed. In the short term, it considered that improvements are most likely to come from increasing the availability of *ad hoc* capacity and ensuring airlines hand back unused slots earlier, enabling the coordinator to reallocate them in-season and support more efficient use of Heathrow's limited runway capacity.

Gatwick Airport

A63 GAL considered that, because significant whole-plane cargo operations do not currently take place at Gatwick, removal or replacement of the 1991 TDRs would require revisions to tariff structures to reflect the infrastructure requirements and opportunity costs associated with dedicated cargo aircraft. GAL also cautioned that any ringfencing of slots through the declaration process is likely to lead to stranded capacity, noting international examples where similar mechanisms have reduced overall efficiency. In addition, GAL expressed strong opposition to slot trading, arguing that it undermines transparency and fair access by distorting capacity availability through secondary markets.

Manchester Airports Group

A64 MAG said that its preferred option is the full removal of the 1991 TDRs, as this would better align with the WASG by ensuring slots are allocated efficiently in a

free and transparent market. It considers that any reform should form part of wider changes to the UK slot system, grounded in principles of efficiency, avoiding measures such as ringfencing that can lead to inefficient use of scarce capacity, and independence, maintaining a neutral and non-politicised slot-allocation process.

London Luton Airport

A65 LLA told us that it has successfully used pricing (for example through the Passenger Aircraft Modernisation Programme) to influence airline behaviour and modernise fleets without the need for regulatory intervention.

A66 Administrative capacity declarations, when supported by strong collaboration between airport operators, ACL and stakeholders, can also be effective. Market-based mechanisms such as slot trading are supported in principle but should form part of a future comprehensive UK slot-reform consultation.

AirportsUK

A67 AirportsUK supported reviewing and modernising the 1991 TDRs to reflect current market conditions and international practice. However, any alternative must preserve their core function of allocating scarce peak-time capacity efficiently, as prioritising passenger services is essential to maintaining connectivity, choice and airport competitiveness.

Regional and Business Airports Group

A68 RABA noted that tools such as WASG rules or market pricing cannot deliver the same outcomes because they do not account for regional economic development, environmental impacts, or the need to protect passenger networks at major hubs.

A69 It argued that “Road Feeder Service” networks provide a practical mechanism to integrate regional airports into the logistics system while keeping whole-plane cargo out of constrained hubs.

RiverOak Strategic Partners

A70 RiverOak proposed a more structured set of alternative mechanisms centred on a national freight strategy, including expanding the 1991 TDRs to Stansted and Luton, creating a network of regional freight centres connected to Heathrow by means of airline-coded RFS trucking, and formal recognition of airports like Manston as dedicated cargo hubs. It argued that this would improve efficiency, reduce leakage to EU airports, and align hub-and-spoke capacity management with international best practice.

Passenger airlines

IAG

A71 IAG said that effective implementation of the existing slot regulatory framework, including the WASG and airport-specific local rules, would be more effective than the blanket approach of the 1991 TDRs. If Government pursues reform, it recommended strengthening the Slot Regulations in line with international best practice rather than creating UK-specific mechanisms that could disadvantage airports and airlines.

A72 IAG also supported continued industry-led development of slot-allocation rules through the Worldwide Airport Slot Board to maintain global consistency and avoid unintended consequences. It added that non-discriminatory local guidelines can appropriately address airport-specific circumstances, provided they comply with overarching regulations. At hub airports, such rules can assist coordinators in maintaining connectivity by ensuring a balanced mix of long-, medium- and short-haul services.

easyJet

A73 easyJet supported the use of secondary trading of slots as an effective market-based mechanism that promotes slot mobility and ensures that scarce airport capacity is utilised where it delivers the highest economic and consumer value. Secondary trading enables airlines to respond to market demand and facilitates more dynamic and efficient use of existing capacity.

A74 easyJet did not support the introduction of market-based mechanisms for the primary allocation of slots, including auctions or rental models. Such approaches would undermine the established, non-discriminatory framework administered by independent slot coordinators and could disadvantage new entrants or operators whose business models depend on predictable and transparent allocation processes.

A75 It said that maintaining a primary allocation system that remains aligned with the principles of the WASG is the most effective long-term approach to managing scarce airport capacity, ensuring fair competition at congested airports, supporting efficient market functioning and providing airlines with the operational certainty required to deliver consumer choice and connectivity.

Virgin Atlantic

A76 Virgin Atlantic considered it may be appropriate to revisit the 1991 TDRs framework once new airport capacity is delivered, particularly where whole-plane cargo services could complement bellyhold cargo. It cautioned that making changes now could create unintended consequences, such as competitive distortions, added pressure on already constrained infrastructure, reduced

operational resilience, and higher environmental impacts given the older aircraft typically used by cargo operators.

A77 Virgin Atlantic also advised against using airport pricing mechanisms to manage capacity, arguing this could distort competition and disproportionately affect full-service carriers that rely on bellyhold cargo. If the policy objective is to improve freight provision, Virgin Atlantic suggested that reviewing the night flight regime would be a more appropriate and lower-impact option.

Airline trade bodies

IATA

A78 IATA said that aligning the framework with the WASG through amendment or full revocation would restore equal treatment between whole-plane cargo and passenger operators, improve the reliability of time-critical flows such as e-commerce and pharmaceuticals, strengthen both bellyhold and dedicated whole-plane cargo connectivity, bolster intermodal logistics and stimulate investment in UK cargo infrastructure. While concerns exist regarding potential impacts from increased GA/BA operations, these can be effectively managed through local rules and coordination-committee processes and do not justify retaining a discriminatory regime like the 1991 TDRs.

Other policy suggestions

Airport Coordination Limited

A79 ACL commented that wider slot regime reform must align with 1991 TDR changes. The 1991 TDRs currently override standard allocation principles; their removal would mean slot allocation is governed solely by the Slot Regulations and WASG. This would allow ACL to apply neutral allocation processes, with airports likely using capacity declaration parameters as the main tool to manage traffic types.

A80 At Gatwick, if the 1991 TDRs were removed, ACL considered it would seek for aspects of the Local Rule 3 to be reviewed, as its wording might not be compliant with the Slot Regulations, especially regarding non-discrimination.

Trade bodies and freight/express operators

A81 AICES advised that reforms to the 1991 TDRs should also be considered with wider Slot Regulations, local rules and night policies, as changes to the 1991 TDRs alone will not resolve the various barriers that express and all-cargo operators currently face.

A82 Local rules at Heathrow and Gatwick further disadvantage express and cargo operators by prioritising passengers and restricting access to slots. The

Heathrow air transport movement cap and the lack of influence in coordination committees of cargo operators exacerbate these barriers.

A83 Cargo stakeholders argued for fully revoking TDRs, updating slot rules, improving governance, and adopting a balanced night-flying policy to support capacity and UK connectivity. One of the stakeholders recommended that policymakers consider adopting dedicated or ring-fenced cargo allocations where justified by economic need.

A84 AICES supported improved slot trading and secondary market flexibility to help cargo operators with predictable access to scarce slots.

A85 Cargo stakeholders also highlighted the need for stronger regulatory involvement, such as CAA membership or observer status on airport coordination committees, to ensure capacity decisions reflect national priorities.

Airport operators

Heathrow Airport

A86 HAL told us that reform of the 1991 TDRs should be considered alongside the Government's wider package of slot reform as both policies pursue the same overarching objective: promoting the efficient use of airport capacity in the interests of air transport users.

A87 HAL said that the 1991 TDRs should be retained for the time being but adjusted to improve flexibility and alignment with future capacity changes, for example, enabling Government to respond quickly to new runway or terminal infrastructure without major legislative changes. HAL also considered that the current "system rule" no longer reflects the distinct markets and catchments served by Heathrow compared with other London airports, and that its removal from both the Slot Regulations and the 1991 TDRs would better support effective policy design.

Gatwick Airport

A88 GAL told us that Local Rule 3 at Gatwick which covers the process for the allocation of *ad hoc* slots would need to be reviewed if the 1991 TDRs were removed or amended.

Manchester Airports Group

A89 MAG also indicated that, if the 1991 TDRs were removed, capacity management could instead be undertaken locally through the capacity declaration, local rules, or potentially through charging mechanisms. However, if the Government or the CAA were to retain the view that prioritising passenger services at Heathrow and Gatwick during peak periods remains necessary, MAG's less-preferred alternative would be for the 1991 TDRs to be applied to Stansted as well, to create a level playing field across the London airport system.

London Luton Airport

A90 LLA told us that to realise future government ambitions to expand aviation capacity, modernisation of the slot allocation system is essential. Any reform of the 1991 TDRs should be integrated within a wider, coherent package of national slot reforms.

A91 It added that local rules remain valuable for addressing airport specific issues, but they should sit within a strengthened national framework aligned with the WASG. National reforms should support more robust local rule making and ensure consistency across the system.

A92 In addition, definitions of “peak congestion” should be modernised to reflect contemporary operational constraints, including noise contours, QC limits, and ATM caps, all of which now materially affect capacity during both day and night periods. LLA does not support the allocation of regular slot series to business aviation or *ad hoc* cargo operators.

AirportsUK

A93 AirportsUK told us that the 1991 TDRs should be considered alongside wider slot allocation reforms being explored by the DfT. While supporting retention of the 1991 TDRs in the short term, any longer-term changes should be aligned with broader slot policy reforms to ensure coherence, clarity and effective engagement across the airport sector.

Regional and Business Airports Group

A94 RABA have said that wider policy should focus on extending the 1991 TDRs to other congested airports such as Stansted and Luton when appropriate, while ensuring aviation policy supports regional development and investment in regional freight and GA/BA infrastructure. It also stressed the importance of considering net-zero and noise impacts when evaluating the role of whole-plane cargo operations at major hubs and emphasised the need for ongoing engagement with all parts of the aviation sector, not only the major airports.

RiverOak Strategic Partners

A95 RiverOak said Government should implement a national air freight strategy within a revised Airports National Policy Statement, alongside formal designation of regional airports, such as Manston, Bournemouth, Prestwick and Doncaster, as freight reliever airports. It argued for strengthening bellyhold freight at Heathrow, introducing five-yearly reviews of 1991 TDR effectiveness, and using policy to cut UK air-freight leakage, which it estimated at over 380,000 tonnes today and potentially 1.35 million tonnes by 2050. RiverOak also encouraged Government to prioritise national resilience and self-sufficiency in future aviation planning.

Passenger airlines

IAG

A96 IAG said that it is concerned that the removal of the 1991 TDRs may distort incentives for HAL. IAG told us that HAL benefits financially from expanding its Regulatory Asset Base which creates incentives to propose large-scale infrastructure projects such as the Cargo Southside development, which the Airlines have questioned, especially given capacity constraints with only two runways.

A97 IAG warned that, if the 1991 TDRs are fully revoked now, HAL may be incentivised to expand dedicated cargo facilities for cargo-only flights despite the lack of available runway capacity. This could lead to unnecessary and costly investments that airlines would ultimately have to fund through the Regulatory Asset Base or future regulatory frameworks.

A98 IAG considered that this issue is fundamentally linked to broader economic regulatory reform and the ongoing H8 price control review, rather than the 1991 TDRs alone. While future capacity expansion or reforms to movement caps could justify eventually phasing out the 1991 TDRs, IAG believes that doing so now would be premature.

A99 IAG's view was that the review of 1991 TDRs should not occur in isolation but be integrated with broader slot reforms and alongside future runway expansion.

easyJet

A100 easyJet supported revoking the 1991 TDRs before any significant new capacity from airport expansion is released, to avoid embedding outdated rules within future allocation frameworks. The approach for distributing new capacity should be developed through structured consultation with industry stakeholders and aligned with WASG principles. easyJet is engaging with the Government's review of slot policy and emphasised that any changes must preserve regulatory stability, ensure efficient capacity utilisation and maintain open, fair, transparent and non-discriminatory access to congested airports.

Airline trade bodies

IATA

A101 IATA told us that the wider slot reform should align fully with the WASG and remove local rules that discriminate between operator types.

APPENDIX B

List of Respondents to the Call for Inputs (CAP 3202)

1. AICES
2. Airlines UK
3. Airport Coordination Limited (ACL)
4. AirportsUK
5. American Airlines
6. DHL
7. easyJet
8. European Express Association
9. FedEx
10. Gatwick Airport
11. Heathrow Airport
12. IATA
13. International Airlines Group (IAG)
14. Logistics UK
15. Lufthansa Group
16. Luton Airport
17. Manchester Airports Group
18. Regional and Business Airports Group
19. RiverOak Strategic Partners (Manston Airport)
20. Ryanair
21. TUI Group
22. UPS
23. Virgin Atlantic

APPENDIX C

Glossary

AA86	Airports Act 1986
ACL	Airport Coordination Limited
AICES	Association of International Courier & Express Services
BAA	British Airports Authority
CAA, “we”, “us”, “our”	Civil Aviation Authority
CAGR	Compound average growth rate
DfT	The Department for Transport
EAT	European Air Transport
EEA	European Express Association
GA	General aviation
GA/BA	General or business aviation
GAL	Gatwick Airport Limited
HAL	Heathrow Airport Limited
IAG	International Airlines Group
IATA	International Air Transport Association
LLA	London Luton Airport
MAG	Manchester Airports Group
RABA	Regional and Business Airports Group
RiverOak	RiverOak Strategic Partners
RPKs	Revenue passenger kilometres
SoS	Secretary of State
Slot Regulations	UK Reg (EU) No 95/93 (the Allocation of Slots Regulations)
TDRs	Traffic distribution rules
The 1991 TDRs	Traffic Distribution Rules 1991, available here
WASG	Worldwide Airport Slot Guidelines