

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

CAP 3305

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Introduction and summary

1. This document provides our final advice to the Secretary of State (“SoS”) on the Traffic Distribution Rules 1991 (“1991 TDRs”).¹
2. Section 31 of the Airports Act 1986 (“the AA86”) gives the 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.
3. The 1991 TDRs 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

Why we are doing this review and our process so far

4. In 2025, the 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 (including 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.
5. On 18 December 2025 we published a Call for Inputs to help us develop our advice to the SoS. We received 23 responses⁴ which we considered in formulating our draft advice.
6. On 14 May 2026 we consulted on draft advice to the SoS (the “May Consultation”). In summary, our draft advice was that the SoS should revoke the 1991 TDRs. That consultation closed at the end of June 2026 and we received 18 responses.⁵ Those responses are summarised in chapter 3, insofar as they relate to the 1991 TDRs. Appendix A lists all the organisations that responded to the May Consultation.

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 The non-confidential versions of those responses are available at [Traffic distribution rules](#).

⁵ The non-confidential versions of those responses are available at [Traffic distribution rules](#).

Summary of the May Consultation and stakeholder responses

7. We asked stakeholders for their views on all aspects of the matters set out in the May Consultation. In particular, we invited views on:
 - our draft advice to the SoS 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 Heathrow Airport Limited's ("HAL") licence⁶ 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.
8. We also welcomed views on any other aspect of the May Consultation, including on the:
 - administrative savings that may arise from revocation, such as on the simplification of slot allocation processes;
 - description of the regulatory and market context;
 - role of alternative mechanisms for managing airport capacity; and
 - potential implications of revocation for different categories of airport users and airports within the London Area.
9. In response, stakeholders continued to express a variety of views in relation to the continued need for the 1991 TDRs. Despite these differences, most respondents agreed that capacity at Heathrow and Gatwick continues to be highly constrained and that the policy objective should be to ensure that such economically valuable capacity is efficiently used within a coherent regulatory framework.
10. Most stakeholders that responded to the May Consultation maintained the views expressed in response to the Call for Inputs:
 - whole-plane cargo operators supported revoking the 1991 TDRs to enable non-discriminatory access and greater flexibility;
 - many passenger airlines and their representatives supported revocation or expressed concerns with the use of TDRs in general. However, IAG, Virgin and Ryanair emphasised the need to protect the efficient use of scarce capacity through the protection of passenger airlines' networks; and

⁶ The licence granted to HAL (January 2026) is available at [Heathrow licence and monitoring](#).

- several stakeholders advocated for linking reforms of the 1991 TDRs to wider slot policy reforms and, possibly, airport capacity expansion being delivered.
11. The views of relevant airport operators were more varied. HAL (the operator of Heathrow Airport, where there is arguably greater demand from whole-plane cargo airlines to launch services) supported our draft advice to revoke the 1991 TDRs. The Manchester Airports Group (“MAG”) also supported that draft advice, but Gatwick Airport Limited (“GAL”) and the Regional and Business Airports (“RABA”) group continued to support the retention of the 1991 TDRs.
12. A fuller summary of stakeholder responses is set out in chapter 3.

Summary of our final advice

13. Following consideration of the responses to the Call for Inputs and to the May Consultation, **our advice remains that the SoS should revoke the 1991 TDRs.**
14. In summary, the reasons for this advice 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 specific categories of traffic, irrespective of economic value or operational context;
 - in practice, the revocation of the 1991 TDRs is unlikely to have a significant impact on how capacity is used at Heathrow and Gatwick airports in the short to medium term;
 - however, it is possible that whole-plane cargo operators might seek to obtain a small number of slots, particularly at Heathrow Airport. To the extent that they are successful, that may represent a better use of airport capacity at the margin, as slots would only normally be available to acquire from more marginal passenger services;
 - alternative regulatory and economic mechanisms are available and used 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 (reducing regulatory costs); and

- we consider revocation would 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 applying in those circumstances anyway.
- 15. We note that stakeholder views on the case for revoking the 1991 TDRs continued to be varied, with most stakeholders holding the same views they expressed in response to our Call for Inputs. In practice, our assessment suggests revocation would not materially impact on how slots are likely to be used at Heathrow and Gatwick airports in the short to medium term, given:
 - that both airports are likely to remain highly capacity constrained; and
 - the significant barriers to acquiring slots that are likely to remain in place, even without the 1991 TDRs.
- 16. Any new entrant would need to obtain slots which, particularly during periods of peak congestion, would rarely be available through the primary slot allocation mechanism at capacity constrained airports. Therefore, new entrants would likely need to acquire these from other airlines through the secondary slot market, at significant cost.
- 17. Additionally, 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 slots⁷ 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 and General Aviation is likely to be more price sensitive than other traffic types. We consider that any growth in whole-plane cargo and GA/BA operations is therefore more likely to occur at alternative, less congested, airports.
- 18. Stakeholders opposing the revocation of the 1991 TDRs said that passenger airline services (which may also carry bellyhold cargo) were likely to make better use of scarce airport capacity at Heathrow and Gatwick airports compared to whole-plane cargo or GA/BA services. We recognise this could be true in many but not all circumstances and are of the view that revoking the 1991 TDRs has the potential to drive greater economic efficiency at the margin. In some cases, whole-plane cargo may provide greater economic benefits than marginal passenger services using small aircraft and/or with low load factors, such as when carrying high volumes of time-sensitive cargo to, from or through the Southeast of England. This is particularly likely to be the case if these whole-plane cargo operators can acquire slots in the secondary market from incumbent

⁷ 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.

airlines. Our view is that the use of scarce airport capacity should be determined by appropriately flexible pricing and slot allocation mechanisms rather than legislated up front without any consideration for the particular circumstances involved.

19. Revoking the 1991 TDRs has the potential to increase investment in cargo services and deliver benefits to the wider economy through allocating scarce airport capacity to the most economically valuable services, and we consider that whole-plane cargo operators should not be prevented by regulation from participating in slot allocation and trading processes governed by ACL.
20. Our view is that, on balance, the 1991 TDRs are a disproportionately rigid mechanism that effectively prevents certain traffic from entering Heathrow and Gatwick airports, even though this traffic might bring beneficial and economically relevant operations to the airports. We do not consider the 1991 TDRs to be necessary to ensure airport capacity is put to its most productive use, and revocation would help to simplify the regulatory framework. Efficient and fair allocation of airport capacity can already be achieved through other regulatory and economic mechanisms:
 - the ability for airlines to buy, sell and lease slots on the secondary market means slots can be directed to their most productive uses;
 - 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; and
 - subject to legal and regulatory obligations, 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 charge with an associated minimum charge for whole-plane cargo movements to ensure charging reflects the use of airport facilities.⁸
21. In the May Consultation we noted that Condition C4 of HAL’s licence⁹ prohibits it from levying charges on whole-plane cargo flights that are higher than the equivalent charges for passenger flights.¹⁰ This limits HAL’s ability to differentiate

⁸ 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](#).

⁹ The licence granted to HAL (January 2026) is available at [Heathrow licence and monitoring](#).

¹⁰ In this context, passenger flights include GA/BA.

charges for whole-plane cargo operations in addition to the wider non-discrimination, consultation and transparency obligations placed on it, for example by the Airport Charges Regulations 2011. We invited stakeholder views on whether Condition C4 continued 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. Stakeholders told us that changes to Condition C4 were not necessary or did not need to be considered alongside any review of the 1991 TDRs. As such, we are not proposing to make any changes to Condition C4 of HAL's licence immediately following this advice. Any changes to HAL's licence, if required, would be considered separately under the processes set out in the Civil Aviation Act 2012.

22. Even though this review is more focussed on short to medium-term impacts, 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 airports 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
 - the Department for Transport ("DfT") is intending to review and potentially reform the Slot Regulations to facilitate that expansion.
23. Furthermore, we recommend that the SoS revokes the 1991 TDRs as soon as practically possible, while allowing for a reasonable transition period. This is because:
- a transition period would reflect the nature of airport capacity planning as a forward-looking activity, generating less uncertainty, and minimising or eliminating any disruption, 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.
24. We considered the following alternatives to revoking the 1991 TDRs:
- partial revocation of the 1991 TDRs;
 - retaining the 1991 TDRs at least until significant capacity expansion is delivered at either Heathrow or Gatwick airports; and
 - expanding the scope of the TDRs to include other London area airports.

25. However, we were of the view that full revocation was preferable to these other options, as explained further in chapter 4.
26. Nevertheless, if evidence emerges of significant future entry by whole-plane cargo or GA/BA operators at Heathrow and Gatwick airports and that 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 some version of TDRs.

Structure of this document

27. The structure of this document is as follows:
 - chapter 1 describes the relevant legislative and policy context relating to the 1991 TDRs;
 - chapter 2 provides an overview of the market context, including how it has developed since the 1991 TDRs were introduced;
 - chapter 3 summarises stakeholder views in response to the May Consultation; and
 - chapter 4 sets out our conclusions and advice.
28. Appendix A contains the list of respondents to the May Consultation. Appendix B is a glossary.

Matters out of scope of this review

29. While we recognise that aspects of the broader regulatory and legislative framework for use of airport capacity were relevant considerations to our review of the 1991 TDRs, the following were out of scope of this review:
 - 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 airport expansion.

Next steps

30. This is our final advice to the SoS. It will now be for the SoS to consider and decide if the 1991 TDRs are retained, amended or revoked.

31. Any questions related to this document should be sent to economicregulation@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;
 - role different parties, including the CAA, play in that process;
 - key aspects of the 1991 TDRs; and
 - broader context regarding airport slot coordination in the UK.
- 1.2 This chapter is very similar to chapter 1 of the May Consultation but reproduced here to explain the context in which we make our final advice.

The framework for creating TDRs in the Airports Act 1986

- 1.3 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.
- 1.4 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.
- 1.5 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.

- 1.6 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.
- 1.7 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.
- 1.8 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

- 1.9 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.
- 1.10 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

- 1.11 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

1.12 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.

1.13 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

1.14 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.

1.15 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.¹¹

Process of defining peak periods

1.16 For each of the Summer and Winter aviation scheduling seasons, the CAA should have regard to advice from the airport operators (HAL and 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.

1.17 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

¹¹ Periods of Peak Congestion declared by the CAA in recent scheduling seasons are available at [Traffic distribution rules](#).

schedule of peak periods of congestion, having discussed that proposal with the relevant airport operator.

1.18 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 the hourly periods that have been proposed by ACL and airport operators and where the data suggests that there are:

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

1.19 For whole-plane cargo and GA/BA, the 1991 TDRs mean large parts of the operational day at both Heathrow and Gatwick airports 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 airports 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	Winter 2025/26	Summer 2026
Heathrow (arrivals)	84%	94%
Heathrow (departures)	76%	95%
Gatwick (arrivals & departures)	27%	71%

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.

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

Airport slot coordination

1.21 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”).¹² The WASG provide guidance on slot scheduling and seeks to achieve consistency across approaches taken to allocate slots in different parts of the world.

1.22 According to the WASG, the prime objective of airport slot coordination is to ensure the most efficient declaration, allocation and use of available airport capacity in order to optimise benefits to consumers, taking into account the interests of airports and airlines. Its wider objectives are to:¹³

- a) facilitate consumer choice of air services, improve global connectivity and enhance competition at congested airports for passengers and cargo;
- b) provide consumers with convenient schedules that meet demand, are consistent from one season to the next, and reliable in terms of their operability;
- c) ensure that slots are allocated at congested airports in an open, fair, transparent and non-discriminatory manner by a slot coordinator acting independently;
- d) 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) balance airport access opportunities for existing and new airlines;
- f) provide flexibility for the industry to respond to regulatory and changing market conditions, as well as changing consumer demand; and
- g) minimise congestion and delays.

1.23 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.¹⁴

1.24 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

¹² [Worldwide Airport Slot Guidelines, Edition 4](#)

¹³ Section 1.2, [Worldwide Airport Slot Guidelines, Edition 4](#)

¹⁴ See [IATA - Coordinated Airports](#) and [FAQs | Airport Coordination Limited](#) for more information about the allocation process.

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.¹⁵

- 1.25 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.¹⁶
- 1.26 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)

- 1.27 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.¹⁷
- 1.28 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.
- 1.29 The CAA suggested at the time that a new owner of Gatwick Airport 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.
- 1.30 While BAA's refusal to grant cargo 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.

¹⁵ 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.

¹⁶ *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.

¹⁷ See page 158 of [BAA Airports: Final Report](#)

- 1.31 Nevertheless, it stated that there was no clear justification for treating cargo differently from passenger flights and suggested that a review of the 1991 TDRs – particularly their effect on the cargo 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.

CHAPTER 2

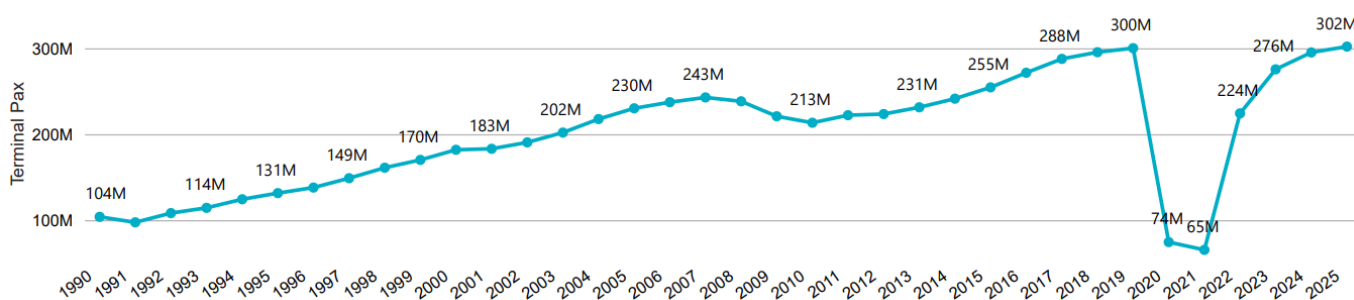
Market context

- 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.
- 2.2 This chapter is substantively the same as chapter 2 of the May Consultation but reproduced here to explain the context in which we make our final advice.¹⁸

Long term volume growth at UK airports

- 2.3 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")¹⁹ from 1991 to 2025) and passengers at UK airports.²⁰
- 2.4 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

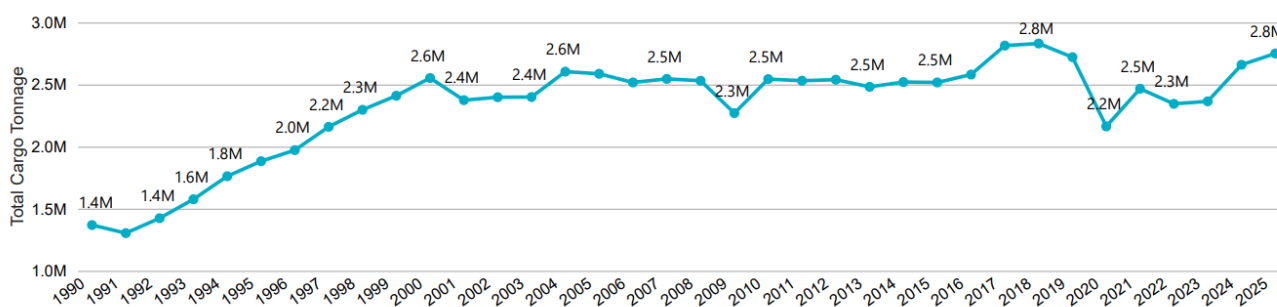


Source: [CAA Aviation Trends](#), 2025 Q4

¹⁸ Small editorial changes have been made for consistency across the document.

¹⁹ The compound average growth rate is the mean annualised growth rate between two periods.

²⁰ 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

- 2.5 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 airports alone represented approximately 59 per cent of total UK air passengers,²¹ 50 per cent of the UK's total air transport movements and 41 per cent of the UK's total reported aircraft movements.^{22,23}
- 2.6 As noted in chapter 1, for the purpose of the 1991 TDRs, the SoS considered Heathrow, Gatwick and Stansted airports 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.
- 2.7 In that case, Luton and London City airports would also serve a substantial number of the passengers departing from or arriving at the airports whose ultimate destination is the "London Area"²⁴ and we therefore consider them to serve the "London Area", in addition to Heathrow, Gatwick and Stansted airports.

²¹ Table 09, [CAA airport data 2025](#)

²² Table 05, [CAA airport data 2025](#)

²³ 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](#).

²⁴ 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.

It is arguable that other airports such as Southend Airport 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 advice to revoke the 1991 TDRs is implemented by the SoS, a precise definition of the “London Area” would not be required.

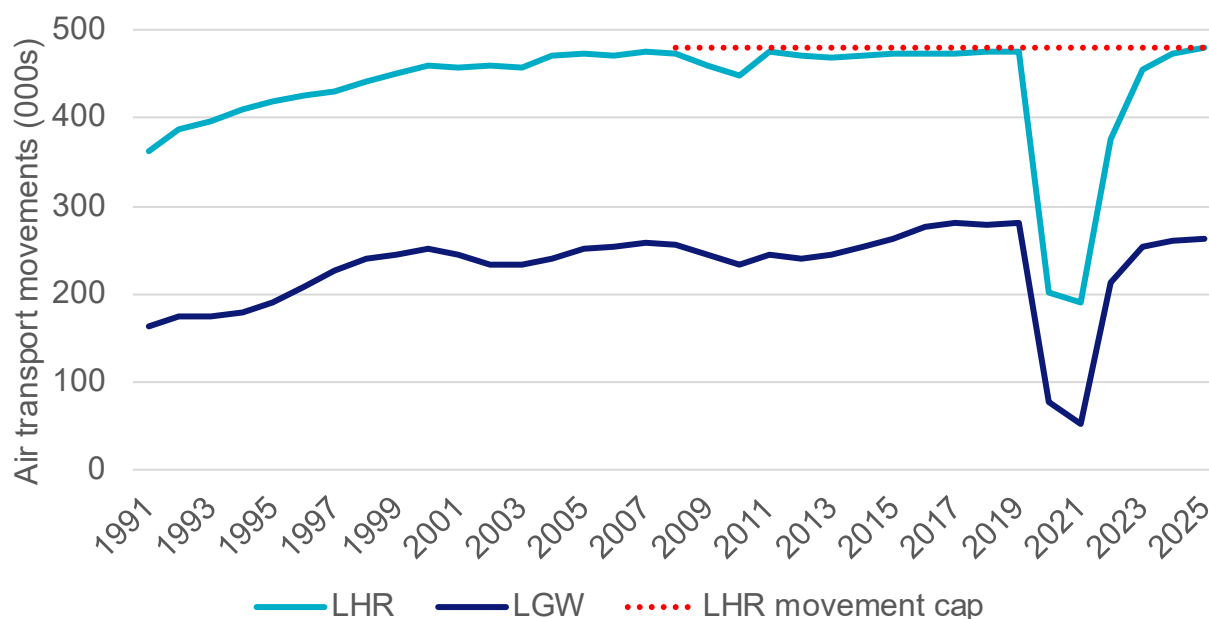
- 2.8 There is a range of factors likely to influence operators’ demand to operate at certain airports and therefore the patterns we observe in the following data. For example, this may include:
- an airport’s location and infrastructure,²⁵ such as whether it can accommodate cargo processing or has flight 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,²⁶ or the planning restrictions at Farnborough that limit the number of movements, for example on weekends or bank holidays;²⁷ and
 - economic considerations, such as operating fees, airport and carrier competition, surface access, market access and so forth.
- 2.9 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.
- 2.10 Figure 2.3 below shows the number of air transport movements over time at Heathrow and Gatwick airports, the two largest airports in the UK. Air transport movements at Heathrow and Gatwick airports 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 Airport has mostly operated very close to its cap except for the period impacted by the Covid-19 pandemic. Gatwick Airport continued to trend upward moderately until the pandemic (about 2% CAGR since 1991). By the end of 2025, Gatwick Airport’s flight numbers had not yet returned to pre-pandemic levels, but it remains the busiest single-runway airport in Europe.

²⁵ 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.

²⁶ [Decision: Night flight restrictions at Heathrow, Gatwick and Stansted from October 2025](#)

²⁷ [Farnborough airport's planning history - Rushmoor Borough Council](#)

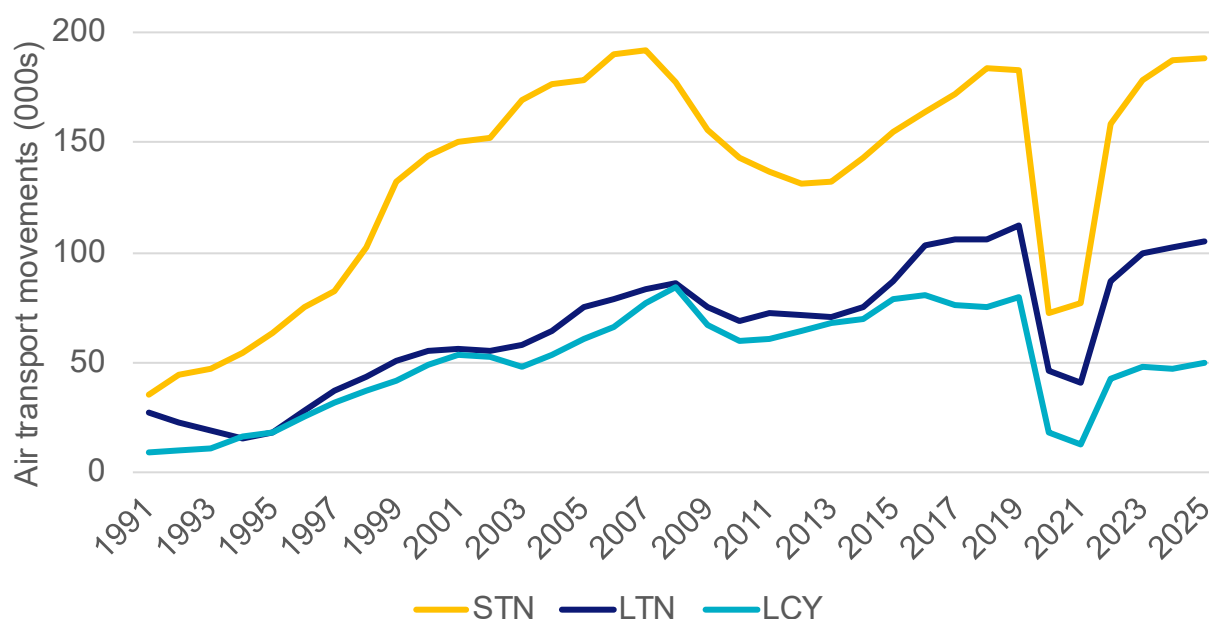
Figure 2.3: Total air transport movements at Heathrow and Gatwick airports, 1991 to 2025



Source: CAA Airport Statistics

- 2.11 Figure 2.4 below shows air transport movements at Stansted, Luton and London City airports over time. Stansted Airport observed considerable growth in air transport movements in the years immediately after the 1991 TDRs were introduced. Luton and London City airports have trended upward over time, although air transport movements at London City Airport have not recovered to pre-pandemic levels. For Luton Airport (but not Stansted or London City airports), 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 Stansted, Luton and London City airports, 1991 to 2025



Source: CAA Airport Statistics

2.12 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

2.13 In 2025, Southend Airport 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.²⁸ By contrast, less than 0.5 per cent of the movements were non-commercial Business Aviation at both Heathrow and Gatwick airports.

2.14 In addition to its complexity, the Southeast of England is also capacity constrained.²⁹ 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 airports have approved capacity expansion and plans for growth;^{30,31,32}
- there is significant work on planned expansion at Heathrow Airport, following the Government consultation on the Heathrow Expansion National Policy Statement on a third runway;³³ and
- the owners of Manston Airport have plans to reopen the airport as a dedicated air cargo hub.^{34,35}

2.15 That said, and despite the movement cap at Heathrow Airport, Figure 2.5 shows there has been sustained growth in revenue passenger kilometres (“RPKs”)³⁶ since 2001. This suggests Heathrow Airport’s heavily constrained runway capacity has increasingly been put to more productive use by airlines.

²⁸ Southend Airport 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](#)

²⁹ [Transport and growth update: airport expansion and transition to greener aviation - GOV.UK](#)

³⁰ [The London Luton Airport Expansion Development Consent Order 2025](#)

³¹ [Uttlesford District Council Stansted Airport Planning Permission Report](#)

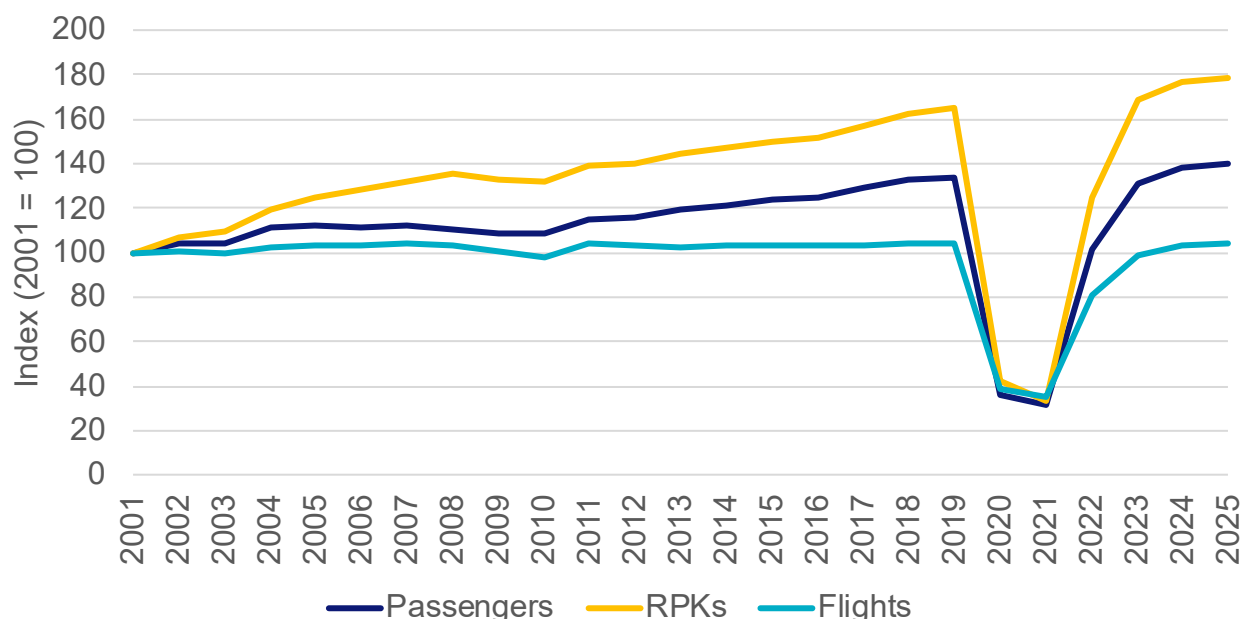
³² [Gatwick Airport Northern Runway - Project information](#)

³³ See [Draft Heathrow Expansion National Policy Statement: consultation on proposed amendments - GOV.UK](#), which closed on 1 September 2026.

³⁴ [The Manston Airport Development Consent Order 2022](#)

³⁵ [Manston Airport Airspace Change Proposal - Stage 3 Consultation - The Civil Aviation Authority and Airspace Change sponsors - Citizen Space](#)

³⁶ RPKs were 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 flights, passengers and RPKs and flights at Heathrow Airport

Source: CAA Airport Statistics

Air cargo

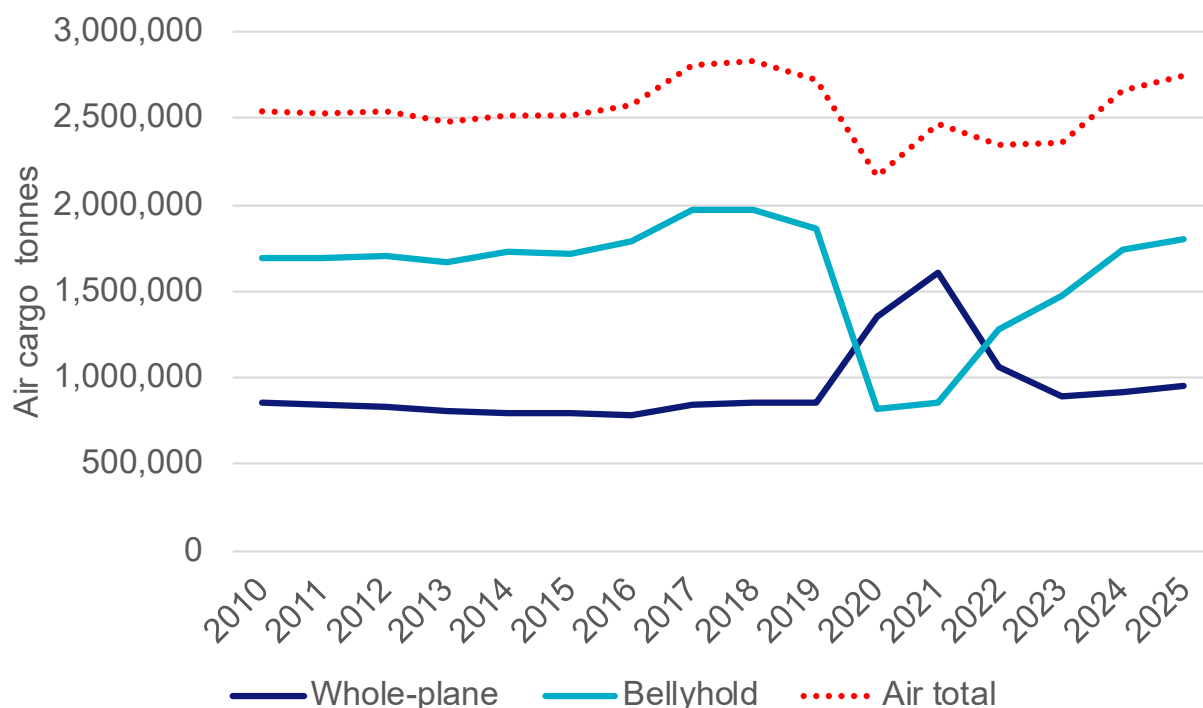
- 2.16 While not defined in the 1991 TDRs or the AA86, whole-plane cargo is generally understood to mean commercial flights configured for only the transport of cargo with no passengers on board.³⁷
- 2.17 Within the whole-plane cargo sector, operators can broadly be split into two categories:
- integrated 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.
- 2.18 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:

³⁷ 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,³⁸ 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 older³⁹ (and noisier)⁴⁰ than the passenger fleet, with many decommissioned passenger aircraft converted to all-cargo aircraft.

2.19 Figure 2.6 below shows air cargo tonnes 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

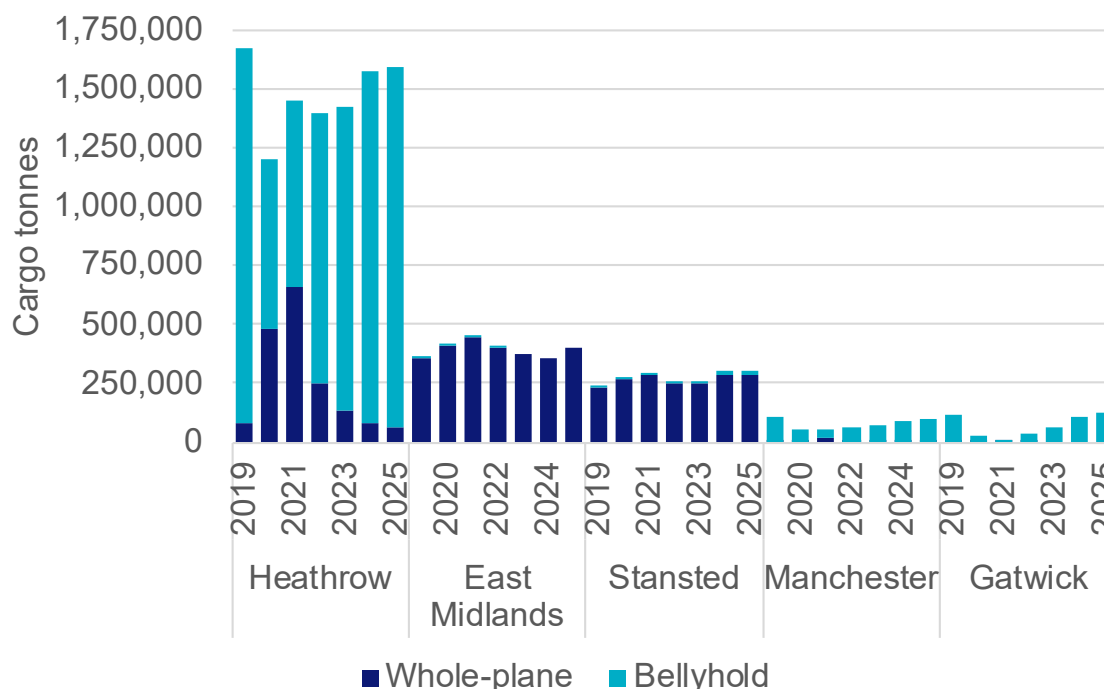
³⁸ [Eurocontrol Data Snapshot #26](#)

³⁹ [Air Passenger Market Analysis](#)

⁴⁰ [The factors affecting pollution and noise environmental costs of the current aircraft fleet: An econometric analysis - ScienceDirect](#)

- 2.20 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.
- 2.21 Air cargo has historically made up a small portion of the UK's total cargo volumes across all modes,⁴¹ but a considerable portion of the total value. Based on HM Revenue and Customs' trade data for 2025, Heathrow Airport made up about 26 per cent of the value of all the UK's trade.⁴² The other four of the top five UK airports by cargo volumes – East Midlands, Stansted, Gatwick and Manchester airports – made up another 6 per cent (31 per cent total across the top five).
- 2.22 Figure 2.7 below shows that, since 2019, Heathrow Airport 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 airports processed relatively small volumes, most of which was bellyhold.

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



⁴¹ 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.

⁴² CAA analysis of HRMC trade data. Trade value tables can be built at [Overseas trade data table](#).

Source: CAA Airport Statistics

2.23 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

2.24 Across the three years, East Midlands Airport 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.

2.25 Table 2.3 below shows the top five airlines by number of whole-plane cargo movements at East Midlands, Stansted and Heathrow airports 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 or Business Aviation

- 2.26 In the 1991 TDRs, “General or Business Aviation” is defined as any air traffic that is not:⁴³
- 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.
- 2.27 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.⁴⁴ 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.
- 2.28 For other General Aviation 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, maintenance capabilities.⁴⁵
- 2.29 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

⁴³ [Traffic Distribution Rules 1991](#)

⁴⁴ Pages 13 and 14, [CAP796 Flying on Business – a Study of the UK Business Air Travel Market](#)

⁴⁵ 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

- 2.30 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 airports appear in the top 10 (122 and 131 departures respectively).
- 2.31 Compared to scheduled activities at larger airports, there is less information regularly reported about General Aviation 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 Airport, as noted above), there is minimal other General Aviation activity.

Summary of the key conclusions from this chapter

- 2.32 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 airports – in

addition to Heathrow, Gatwick and Stansted airports – 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.

- 2.33 The data on air cargo show that volumes are heavily concentrated at Heathrow Airport and mostly move by means of bellyhold. This suggests there could be network benefits from whole-plane cargo operators increasing their operations at Heathrow Airport, 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 Airport compared with Heathrow Airport, we have not seen much, if any, whole-plane cargo activity at Gatwick Airport. 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 Airport a less attractive alternative for whole-plane cargo and particularly the integrator business model.
- 2.34 East Midlands Airport 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 Airport 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.
- 2.35 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 airports. 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 airports. Instead, GA/BA’s needs may already be better served, at more affordable prices, elsewhere.

CHAPTER 3

Summary of responses to the May Consultation

- 3.1 In the May Consultation we asked stakeholders for their views on all aspects of the matters set out in the May Consultation, but in particular 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 Heathrow Airport Limited's ("HAL") licence⁴⁶ 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.
- 3.2 We received 18 responses⁴⁷ to the May Consultation from a range of stakeholders, including airports, passenger and cargo airlines and their trade bodies. There was a variety of views across stakeholders, reflecting their differing business models and interests. This chapter provides a brief overview of those stakeholders' responses.
- 3.3 Additionally, six stakeholders⁴⁸ responded to our Call for Inputs but not our draft advice. Those responses are available on our website and were considered and summarised in the May Consultation.⁴⁹ Where appropriate, we have also taken those views into account in formulating this final advice.

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

- 3.4 The whole-plane cargo operators and associations that responded to our consultation were the Association of International Courier & Express Services ("AICES"), the European Express Association ("EEA"), DHL, UPS, Logistics UK and the US Cargo Airline Association ("USCAA").

⁴⁶ The licence granted to HAL (January 2026) is available at [Heathrow licence and monitoring](#).

⁴⁷ The non-confidential versions of those responses are also available at [Traffic distribution rules](#)

⁴⁸ ACL, AirportsUK, American Airlines, FedEx, Luton Airport and TUI

⁴⁹ See [Traffic distribution rules](#)

Views on 1991 TDRs

- 3.5 All the above stakeholders supported our draft advice that the 1991 TDRs should be revoked. Most recognised that this change would be unlikely to have a material impact on how capacity is used at Heathrow and Gatwick airports in the short to medium term and agreed with our reasons for arriving at that advice.
- 3.6 DHL said that if the 1991 TDRs were revoked then it would be important to ensure whole-plane cargo airlines are treated equally to passenger airlines, including in being able to retain and build slot portfolios at the airports. Logistics UK said any decision on revocation of the 1991 TDRs must:
- carefully consider the potential impacts revocation may have on hub connectivity and network resilience at Heathrow Airport, given its role as the UK's primary hub airport; and
 - be supported by analysis on how revocation could impact the economics of long-haul passenger services, given bellyhold cargo is fundamental to their success.
- 3.7 USCAA said alternative options to revocation, such as broadening the 1991 TDRs to include other London Area airports, would only continue to impose constraints and discriminate against whole-plane cargo operators. It also said that revocation of the 1991 TDRs would support the UK's obligation under Article 11 of the US-UK Air Transport Agreement, to ensure a fair and equal opportunity for all airlines to compete.

Implementation timeline

- 3.8 Some stakeholders considered that revocation should happen immediately. AICES said having a lengthy transition period would risk delaying benefits of reform without delivering corresponding operational benefits. EEA said revocation does not require any transition period beyond its administrative implementation because it is a regulatory change.
- 3.9 Other stakeholders thought it was reasonable to have a transition period. Both DHL and UPS were supportive of the CAA's proposal of a two-scheduling season period but noted that there was little evidence to support a prolonged transition period given the likely limited impact of revocation in the short to medium term. USCAA said any transition period should be as short as practicable and ideally no longer than a single scheduling season. Logistics UK supported having a managed transition period to ensure any redistribution of traffic was gradual and orderly and minimised risks to connectivity and competition.
- 3.10 Several stakeholders said that, if there was a transition period, it needed to be clearly defined, time-limited, focused solely on administrative implementation and

accompanied by guidance to give stakeholders certainty and so that the transition period itself does not act as an extension of the 1991 TDRs.

Condition C4

- 3.11 Most stakeholders were against changes to Condition C4 of HAL's licence in the context of the revocation of the 1991 TDRs.
- 3.12 UPS was concerned that revocation of the 1991 TDRs may lead to new mechanisms being used, such as higher airport charges for whole-plane cargo, which would in effect lead to the same restrictions on whole-planed cargo as under the 1991 TDRs and operators being priced out of some airports. Logistics UK said it would be important to ensure whole-plane cargo does not face adverse impacts because of changes in how airport capacity is used or priced. EEA said there would need to be continued safeguards against excessive and disproportionate charges for whole-plane cargo.
- 3.13 AICES said a review of Heathrow Airport's charges should be undertaken separately from this review and should consider the national economic and trade benefits of cargo. DHL similarly said Condition C4 is better considered in the context of a review of Heathrow's wider regulatory arrangements and that any changes would need to be examined very carefully.
- 3.14 USCAA said it supported the CAA exploring a modernised, cost-reflective alternative to Condition C4 as long as it preserves an equivalent, enforceable safeguard against discrimination for whole-plane cargo. Logistics UK similarly said that if Condition C4 is no longer deemed appropriate, then any alternative should be transparent, proportionate and designed to ensure fair access for whole-plane cargo.

Other issues

- 3.15 Stakeholders raised some issues that are relevant to the wider context of slot allocation and airport capacity management, but out of scope of this review:
- several stakeholders said local rules continue to produce outcomes that disadvantage whole-plane cargo by restricting airport access, and that these local rules will persist even if the 1991 TDRs are revoked. AICES and EEA said these local rules should be reviewed;
 - AICES, UPS and USCAA said the CAA should attend airport coordination committees as an independent voice to ensure whole-plane cargo is fairly represented, given that airport coordination committees play a significant role in how capacity is allocated; and

- AICES and UPS said that while East Midlands Airport is critical for whole-plane cargo it is not a substitute for access to Southeast airports and that redirecting activity away from the Southeast will impact service quality, competitiveness and choice in the Southeast, as well as economic growth.

Airport operators

Heathrow Airport Limited

- 3.16 HAL supported the CAA's draft recommendation to revoke the 1991 TDRs, recognising that while they historically served as a congestion management tool at highly constrained airports, they were developed in a different regulatory and market environment and are now a relatively rigid mechanism for managing scarce capacity.
- 3.17 HAL accepted the CAA's assessment that revocation would better reflect today's operating conditions and noted that the 1991 TDRs are difficult to reconcile with the principles of the WASG because they restrict access for whole-plane cargo and GA/BA by operator category rather than through a neutral slot allocation process.
- 3.18 While supporting revocation, HAL emphasised that the change should be considered alongside wider slot policy reform, arguing that issues such as slot declaration, utilisation, hand-back and reallocation remain central to efficient airport capacity use. HAL said it therefore sees merit in aligning revocation with broader slot reform where possible, believing this would strengthen incentives for efficient slot use, support both passenger and cargo connectivity and ensure the overall framework for managing scarce airport capacity remains coherent, proportionate and fit for purpose.
- 3.19 HAL did not respond on Condition C4.

Gatwick Airport Limited

- 3.20 GAL did not support the CAA's draft recommendation to revoke the 1991 TDRs, arguing that they continue to play a relevant and proportionate role at capacity-constrained airports by prioritising scheduled passenger services during periods of peak congestion and supporting more efficient use of scarce infrastructure. Without the 1991 TDRs, GAL considered that whole-plane cargo operators could gain greater access to constrained capacity, potentially reducing passenger connectivity and undermining the efficient use of airport infrastructure.
- 3.21 GAL also highlighted operational, environmental and infrastructure considerations in support of retaining the 1991 TDRs. It argued that:

- Gatwick Airport's limited cargo facilities are designed primarily to support bellyhold freight on passenger aircraft and that increased dedicated whole-plane cargo operations could constrain passenger services and associated cargo activity; and
- Retaining the 1991 TDRs would support efficient capacity use and environmental objectives by prioritising higher-utilisation passenger services over potentially lower-utilisation freight movements.

- 3.22 GAL disagreed with the CAA's view that revocation would reduce administrative burden, stating that the current arrangements impose minimal costs and are well integrated into existing slot coordination processes. It also rejected the alternative approaches considered in the consultation, including partial revocation and ringfencing capacity for specific user groups, on the grounds that these could create inefficiencies, underutilisation of capacity and demand uncertainty. GAL further noted that, despite the proposed Northern Runway project, Gatwick Airport is expected to remain capacity constrained during peak periods for the foreseeable future and therefore does not consider expansion alone sufficient justification for revoking the 1991 TDRs.
- 3.23 GAL did not agree that the 1991 TDRs would become less relevant over time, arguing that the future impacts of airport expansion, slot reform and wider aviation policy remain uncertain. It therefore recommended that any review of the 1991 TDRs should be considered as part of a broader and joined-up review of slot policy and Government aviation strategy. GAL concluded that there is currently no clear case for reform and stated that, if the 1991 TDRs were ever removed as part of wider slot reform, an appropriate transition period should be provided to allow affected airports to make operational adjustments.
- 3.24 GAL did not respond on Condition C4.

Manchester Airports Group

- 3.25 MAG supported the CAA's recommendation to revoke the 1991 TDRs. It considered that the rules are outdated and inconsistent with modern slot allocation principles under the WASG. MAG considered that the 1991 TDRs distort competition by directing whole-plane cargo traffic to Stansted Airport during peak periods while protecting passenger services at Heathrow and Gatwick airports. It agreed with the CAA that revocation is unlikely to materially change capacity use at Heathrow or Gatwick airports in the short to medium term but supported revocation at the earliest appropriate opportunity and favoured a reasonable transition period to minimise uncertainty and mitigate any unintended short-term consequences.
- 3.26 MAG considered that, if the rules were retained in any form, they should apply equally across the London airport system, including at Stansted Airport. MAG

also considered that existing slot allocation mechanisms and commercial incentives can manage capacity more effectively than the 1991 TDRs and noted that, as air freight demand grows, East Midlands Airport could play a larger role in handling cargo for the wider London and UK market, complementing airport capacity in the Southeast of England.

RABA

3.27 RABA disagreed with the CAA's draft advice and supported retention of the 1991 TDRs at Heathrow and Gatwick airports. RABA considered that the SoS should clarify the strategic purpose of the 1991 TDRs and review them only alongside future capacity expansion, wider slot reform and a broader aviation policy framework. Its key points were that:

- Heathrow and Gatwick airports remain highly capacity constrained and that the 1991 TDRs help ensure scarce peak capacity is used for passenger services and associated bellyhold cargo, which generally provide higher overall value per slot than dedicated freighter operations at congested hubs;
- whole-plane cargo and Business Aviation activity is better suited to less constrained or specialist airports;
- even though the CAA's view was that revocation would likely have "little or no impact", revocation still carries a risk that whole-plane cargo or GA/BA operators could acquire and retain valuable slots, with long-term effects that would be difficult to reverse;
- issues in the air freight sector (for example capacity, infrastructure and leakage to EU hubs) require a national, distributed freight strategy;
- alternative mechanisms (such as local rules, capacity declarations, charging and slot trading) are not effective substitutes to a national traffic distribution policy, as those mechanisms do not account for wider public interest considerations such as hub connectivity and regional development; and
- the WASG are important guidance but not legally binding. Domestic rules can legitimately supplement global slot allocation guidelines, where justified by national capacity objectives.

3.28 RABA considered that reform of Condition C4 should remain separate from the decision on the 1991 TDRs and be considered through Civil Aviation Act 2012 processes. More generally, it considered that charging reform should not be seen as a substitute for capacity policy.

Passenger airlines and their trade bodies

IATA

- 3.29 IATA supported the CAA's draft advice to revoke the 1991 TDRs, arguing that they are inconsistent with the WASG, were designed for a different market environment and create barriers to entry and expansion for whole-plane cargo at congested airports. IATA believes airport capacity should instead be allocated through existing mechanisms such as independent slot coordination, capacity declarations and secondary slot trading which it considers are more efficient, transparent and non-discriminatory. It said it supports a slot allocation regime that is neutral between passenger and cargo operators, including equal eligibility for historic slot precedence and cautioned against local rules relating to aircraft parking or other capacity constraints that could disadvantage cargo operators.
- 3.30 IATA opposed changes to Condition C4 of HAL's licence, arguing that it remains an important safeguard against discriminatory airport charging practices and abuse of market power. IATA considered that revocation of the 1991 TDRs should not be accompanied by alternative charging or regulatory mechanisms that indirectly recreate the same restrictions on whole-plane cargo operators through economic means.

Airlines UK

- 3.31 Airlines UK noted its general preference for open market access and slot allocation based on the principles of the WASG, including neutrality, transparency and non-discrimination. As such, it said it is not generally supportive of mechanisms like the 1991 TDRs, however noted that its membership includes both passenger and whole-plane cargo airlines which hold differing views on the approach to reform.
- 3.32 Airlines UK accepted the CAA's assessment that revocation is unlikely to have significant short- to medium-term impacts on capacity use at Heathrow and Gatwick airports and therefore sees limited immediate operational consequences from revocation. However, it emphasised that any decision should be considered alongside broader aviation reforms, including the Government's review of slot regulation and potential airport expansion projects, and called for clarity on how these wider reforms will interact with the revocation of the 1991 TDRs to ensure fair access to future capacity.
- 3.33 Airlines UK also noted that some cargo members do not regard changes to Condition C4 as a necessary part of the 1991 TDRs review and suggested that issue may be better considered through HAL's wider economic regulation framework.

Airlines for America

- 3.34 Airlines for America strongly supported the revocation of the 1991 TDRs. It considered that revocation would better align the UK framework with the WASG, eliminate unjustified discrimination against whole-plane cargo operators, restore the role of the independent slot coordinator and help ensure scarce airport capacity is allocated on an equal and transparent basis. It would remove a redundant regulatory constraint that no longer contributes to congestion management, while supporting competition, investment and the efficient functioning of global cargo networks.

easyJet

- 3.35 easyJet supported revocation and considered that TDRs in general distort how capacity is allocated and used, rather than allowing outcomes to be determined through an established, neutral process.
- 3.36 In terms of implementation, easyJet was supportive of a transition period as a proportionate and practical means of revocation, while allowing airlines and airports to adapt.
- 3.37 easyJet suggested that the impacts of the revocation should be monitored over time to ensure that any unintended consequences, including any potential negative impacts on consumers, are identified early and, where necessary, addressed through the wider slot allocation framework.

Lufthansa Group

- 3.38 The Lufthansa Group:
- supported revocation, arguing that the 1991 TDRs are discriminatory and inconsistent with the Slot Regulations and WASG;
 - considered that the 1991 TDRs should be removed immediately, or as soon as possible, because limited slot availability at Heathrow Airport means there would be little practical impact and no need for a transition period;
 - stressed that revocation should be pursued independently of any broader reforms to the UK slot allocation framework, which it considers fit for purpose and aligned with global standards; and
 - recommended retaining Condition C4 in HAL's licence.

IAG

- 3.39 IAG said it did not support TDRs as a long-term regulatory tool, considering them inconsistent with modern slot allocation frameworks. However, it did not support full revocation of the 1991 TDRs at this stage, arguing that Heathrow and Gatwick airports remain capacity constrained and that revocation now would be

premature. Instead, it considered that any removal should be phased and undertaken as part of a coordinated package of wider aviation reforms.

- 3.40 IAG's main concern was about timing and sequencing. It argued that slot availability, rather than the 1991 TDRs themselves, remained the key constraint on access to Heathrow and Gatwick airports, and that the 1991 TDRs continued to play a limited role in protecting runway efficiency by preventing lower-throughput operations from displacing higher-value services. It also considered that the review should not be undertaken in isolation from wider reforms, including to slot regulation, Heathrow Airport's economic regulation and decisions on future airport expansion. In addition, IAG warned that revocation could create incentives for inefficient investment in cargo-specific infrastructure, with costs ultimately passed on to airlines through airport charges.
- 3.41 IAG said that there might be a case to phase out the 1991 TDRs over time, but only once there was greater clarity on the future regulatory and capacity framework. It supported a transition period if revocation were to proceed and considered that any changes should be aligned with wider slot and regulatory reforms rather than implemented immediately.
- 3.42 IAG considered there was merit in a differentiated approach between whole-plane cargo and GA/BA, as a more nuanced alternative to full revocation. While it recognised that whole-plane cargo operations may provide economic benefits in some circumstances and could justify greater flexibility, it considered that GA/BA posed greater risks regarding efficiency and throughput at constrained hub airports. Consequently, it urged the CAA to adopt a partial or phased approach that retained restrictions on GA/BA for longer, pending clarity on slot reform and capacity expansion.
- 3.43 On Condition C4, IAG supported retaining the existing protections in HAL's licence. It considered that Condition C4 should remain in place unless and until there was a clear, evidenced alternative mechanism capable of providing equivalent safeguards for whole-plane cargo operators and their users.

Ryanair

- 3.44 Ryanair strongly opposed the CAA's draft recommendation to revoke the 1991 TDRs, arguing that London airports remain structurally capacity constrained and that the 1991 TDRs provide an important safeguard to ensure scarce peak-time capacity is prioritised for passenger services. Ryanair contended that removing the 1991 TDRs could allow lower-value operations to displace passenger services and reduce the overall economic and social value generated from constrained airport capacity.
- 3.45 Ryanair argued that the 1991 TDRs should not only be retained but extended to include Stansted Airport, given its importance within the London airport system

and its remaining growth potential. Ryanair also cited environmental and operational considerations in support of retaining the existing framework, arguing that cargo aircraft are generally older and noisier than modern passenger fleets. It further noted that cargo operators already have access to alternative airports with dedicated freight facilities and greater operational flexibility, including East Midlands and Birmingham airports, and therefore considered there to be no compelling case for permitting cargo operators to compete for scarce peak-period slots at London's capacity-constrained passenger airports.

3.46 While maintaining its opposition to revocation, Ryanair said that, should the SoS proceed with revoking the 1991 TDRs, any change should be accompanied by a clearly defined transition period. Ryanair argued that this would give airlines, airports and cargo operators sufficient time to adjust operational plans, contractual arrangements and scheduling decisions, while minimising disruption and regulatory uncertainty.

3.47 Ryanair supported retaining Condition C4 in HAL's licence.

Virgin Atlantic

3.48 Virgin Atlantic did not support the CAA's draft recommendation to revoke the 1991 TDRs. While acknowledging the CAA's assessment that Heathrow and Gatwick airports remain highly capacity constrained and that slot scarcity, rather than the 1991 TDRs themselves, is the primary constraint on capacity, Virgin Atlantic argued that the consultation had not established a clear case for revocation. The airline maintained that the principle underpinning the 1991 TDRs remains valid, namely that passenger services should continue to be prioritised over dedicated freighter operations where capacity is scarce.

3.49 Virgin Atlantic argued that the May Consultation did not provide sufficient evidence that revocation would deliver meaningful benefits. It noted that the CAA had concluded revocation was unlikely to materially affect capacity allocation at Heathrow or Gatwick in the short to medium term and questioned why this supported immediate regulatory change. Virgin Atlantic also challenged the evidence base regarding the economic benefits of cargo services, highlighting that around 70 per cent of UK air freight is carried in the bellyhold of passenger aircraft and that the May Consultation did not adequately assess the potential implications for passenger connectivity, airport resilience or consumer outcomes.

3.50 Virgin Atlantic emphasised that decisions on the future of the 1991 TDRs should be considered alongside wider slot policy reform and airport expansion plans rather than in isolation. It argued that future increases in airport capacity may justify a revised approach to traffic distribution, but that it is not yet possible to determine the appropriate framework given the uncertainty surrounding the timing, scale and allocation of any additional capacity. It also noted that

stakeholder responses to the earlier Call for Inputs revealed significant divergence of views and no clear consensus in favour of revocation.

- 3.51 Virgin Atlantic concluded that revocation would be premature under current market conditions and urged the CAA to reconsider its recommendation. However, should Government decide to proceed, Virgin Atlantic stated that any revocation should be subject to an appropriate transition period and aligned with forthcoming slot regulation reform, airport expansion decisions and the ongoing review of Heathrow Airport's regulatory framework.
- 3.52 Virgin Atlantic did not support amending or removing Condition C4 of HAL's licence, arguing that the consultation had not established a clear case for change. It considered that any review of Heathrow Airport's charging framework should instead be examined separately through the appropriate economic regulatory processes, where the effects of potential changes could be fully assessed and consulted upon.

CHAPTER 4

Our views and 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 which forms the basis for our advice to the SoS. It draws on the legislative framework described in chapter 1, the market context set out in chapter 2 and takes account of the stakeholder views summarised in chapter 3.
- 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 final advice.
- 4.3 We have structured our assessment framework around the following main considerations that collectively allow us to form a view on whether the 1991 TDRs remain fit for purpose. These are:
- the changed market and regulatory context and whether the 1991 TDRs are consistent with the current-day airport slot framework, including the Slot Regulations and the WASG;
 - the extent to which the 1991 TDRs meaningfully shape airport use or congestion in the presence of other binding constraints, such as slot scarcity, night flight restrictions, planning conditions and airport commercial incentives;
 - the proportionality of the 1991 TDRs given the current market conditions, including the effects they have on different traffic classes, and competition between airports;
 - the extent to which the 1991 TDRs support or hinder the efficient use of scarce airport capacity, including whether there are other mechanisms available to better manage scarce capacity;
 - the administrative burden associated with the 1991 TDRs and the incidence of this burden on various parties; and
 - the compatibility of the 1991 TDRs with potential future capacity expansion in the Southeast of England, including in the context of any associated slot policy reform.

4.4 Our assessment framework has been informed by:

- our statutory duties (see paragraph 1.11 of chapter 1) and in particular our 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;
- the ministerial views quoted in paragraph 1.13 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; and
- the letter from the SoS to the CAA on 20 April 2026⁵⁰ 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 The remainder of the chapter follows the structure of the assessment framework. The end of this chapter then sets out our final advice to the SoS and next steps.

Changed context

Changed regulatory context

- 4.6 When the 1991 TDRs were introduced, the regulatory framework for airport capacity allocation was materially different from that of 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.
- 4.7 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.
- 4.8 As ACL is the independent slot coordinator, we gave significant weight to the views expressed in its response to our Call for Inputs where it considered that the 1991 TDRs effectively override the neutral, non-discriminatory duties under the Slot Regulations, echoing the ministerial consideration. ACL also noted that removing the 1991 TDRs would allow more transparent, flexible and consultative capacity management, like what happens at other airports, such as Stansted and Luton airports.

⁵⁰ CAP 3241: "[Letter from the Rt Hon Heidi Alexander MP, Secretary of State for Transport, to Sir Stephen Hillier](#)", received 20 April 2026

- 4.9 Generally, all stakeholders who responded to our consultations 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 continue to be a necessary and effective tool to achieve that aim. Many stakeholders recognised that alternative mechanisms to the 1991 TDRs already exist which are more flexible and would better promote efficiency at the margin. Those who wanted to retain the 1991 TDRs were concerned 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. Further, a range of stakeholders noted the interaction with slot policy and expressed preferences for this mechanism to be considered alongside wider slot policy reforms.
- 4.10 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, in the reasonable interests of consumers and consistent with the sound development of civil aviation throughout the UK.

Changed market context

- 4.11 The market context has also evolved significantly since the 1991 TDRs were introduced. In 1991, Heathrow, Gatwick and Stansted airports were under common ownership and Stansted Airport had substantial spare capacity.
- 4.12 Today, London Area airports operate under separate ownership and compete more directly for airlines, passengers and certain categories of traffic. Maintaining the 1991 TDRs for just some of the London airports might have the effect of placing some airports at a competitive disadvantage, whereas extending the scope of the 1991 TDRs would reduce further opportunities for whole-plane cargo operations in the London Area.
- 4.13 Demand for air travel has increased substantially and capacity constraints at the largest London airports are now structural and persistent.⁵¹ This is likely to have made the 1991 TDRs less relevant, as entry at capacity constrained airports is more difficult today, even without the 1991 TDRs.
- 4.14 In parallel, the natures of air cargo, including express cargo, and GA/BA operations have evolved. Bellyhold freight, carried on passenger services, accounts for most of the cargo volumes at Heathrow and Gatwick airports. Whole-plane cargo services and GA/BA have increasingly made use of

⁵¹ 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.

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

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

- 4.15 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 overshadowed by other constraints. At both Heathrow and Gatwick airports 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.
- 4.16 For both whole-plane cargo and GA/BA operators, the 1991 TDRs effectively restrict access to Heathrow and Gatwick airports during peak periods of congestion which make up a large part of the operational day. However, even in the absence of the 1991 TDRs, both whole-plane cargo and GA/BA operators would face significant barriers in acquiring suitable slots, particularly during peak periods, given the lack of slots available for primary allocation, the considerable cost of acquiring slots on the secondary market and, at Gatwick Airport and for whole-plane cargo specifically, the lack of suitable cargo facilities.

Whole-plane cargo operators

- 4.17 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 airports. This is 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 airports. While certain marginal opportunities might arise, particularly through the secondary market, these are expected to be limited. Whole-plane cargo movements are also just a small segment of total movements at these airports, and so any additional demand whole-plane cargo operators may have is unlikely to represent a significant share of total slots. However, an additional slot would represent a significant share of whole-plane cargo movements and so has potential to create material increase in benefits from such movements.
- 4.18 Slots at Heathrow Airport may be more valuable to whole-plane cargo operators than at Gatwick Airport, given the potential network benefits and synergies arising from the significant bellyhold cargo volumes transiting through Heathrow 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 Airport.

We see limited evidence of strong demand from whole-plane cargo operators wishing to enter Gatwick Airport, and the airport has less available capacity for processing cargo than other airports.

- 4.19 Stakeholders opposing the revocation of the 1991 TDRs said that passenger airline services (which may also carry bellyhold cargo) were likely to make better use of scarce airport capacity at Heathrow and Gatwick airports compared to whole-plane cargo or GA/BA services. We recognise this could be true in many but not all circumstances and are of the view that revoking the 1991 TDRs has the potential to drive greater economic efficiency at the margin. We have not seen evidence that a complete block on categories of flights, such as provided by the 1991 TDRs, is required to ensure efficient usage of airports capacity. In some cases, whole-plane cargo may provide greater economic benefits than marginal passenger services using small aircraft and/or with low load factors, such as when carrying high volumes of time-sensitive cargo to, from or through the Southeast of England. This is particularly likely to be the case if these whole-plane cargo operators can acquire slots in the secondary market from incumbent airlines. Our view is that the use of scarce airport capacity should be determined by appropriately flexible market and slot allocation mechanisms rather than legislated up front without any consideration for the particular circumstances involved.
- 4.20 We consider that revoking the 1991 TDRs has the potential to:
- expand whole-plane cargo operators' set of options of where to operate from in the Southeast of England. Regardless of whether the operators actually end up using either airport, the option to do so has some intrinsic (but likely modest) positive value attached to it; and
 - increase investment in cargo services and deliver benefits to the wider economy through allocating scarce airport capacity to the most economically valuable services, and we consider that whole-plane cargo operators should not be prevented by regulation from participating in slot allocation and trading processes governed by ACL.

General or Business Aviation

- 4.21 Business Aviation demand is typically irregular and does not align well with the operating regular slots that could lead it to obtain grandfathering rights on airport slots. General Aviation demand may, in some cases, use slots more regularly but is also likely to be more price sensitive than other traffic types.
- 4.22 Based on stakeholder engagement, observed activity and the rules for qualifying for grandfathering rights, we consider it even less likely than in the case of whole-plane cargo that there would be a significant or rapid increase in GA/BA activity at Heathrow and Gatwick airports in the absence of the 1991 TDRs. This

is because GA/BA operators would likely be unwilling and unable to obtain regular slot series.

- 4.23 We therefore consider that GA/BA would continue to rely largely on *ad hoc* slots at Heathrow and Gatwick airports (to the extent they are made available) and on alternative airports, including Luton, Farnborough, Biggin Hill, Southend, Northolt airports and others to meet their needs.

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 available within the current regulatory framework to manage capacity efficiently, including:
- the Slot Regulations (that provide for airport capacity declarations and local guidelines);
 - the operation of a secondary slot market; and
 - airport pricing and charging tools.

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 during the initial coordination phase or approving slot exchanges in the secondary market. 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 Local guidelines (also commonly referred to as “local rules”) developed through airport coordination committees, which include airport users, may supplement slot allocation rules to address airport-specific issues. Some stakeholders expressed concerns about the impact of local rules on whole-plane cargo operators. While local rules are outside the scope of this review, we note that local rules cannot override the Slot Regulations or wider legislation.
- 4.27 Our view remains that existing slot mechanisms allow airports to manage congestion and prioritise efficient capacity use without relying on hard-edged regulatory tools like the 1991 TDRs. Furthermore, the operation of a secondary slot market is over time expected to support higher slot productivity at capacity-constrained airports. As capacity has become scarcer, 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 as those than can be imposed by the 1991 TDRs.

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 airports.
- 4.29 Pricing can reflect differences in cost, infrastructure use and scarcity and can, therefore, play a role in encouraging efficient outcomes. 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 airports, 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.
- 4.30 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 charge with an associated minimum charge for whole-plane cargo movements to ensure charging reflects the use of airport facilities.⁵² This suggests that airports may

⁵² 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

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

- 4.31 In the May Consultation we noted that Condition C4 ("Charges for Cargo Only Operators") of HAL's licence⁵³ 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 services in addition to the wider non-discrimination, consultation and transparency obligations placed on it, for example, by the Airport Charges Regulations 2011.
- 4.32 We invited views from stakeholders on whether Condition C4 continued to be an appropriate approach to further the interests of consumers or whether an alternative mechanism would be preferable, noting that any alternative would also need to be developed in the context of the broader price control arrangements applicable to HAL.
- 4.33 Stakeholders generally supported retaining Condition C4 and for any potential changes to it to be considered separately from any review of the 1991 TDRs. Also, HAL did not respond to this specific question despite its support for the CAA's draft advice that the 1991 TDRs should be revoked.
- 4.34 As such our view is that the 1991 TDRs can be revoked without making changes to HAL's licence and that any changes to Condition C4 that may be required in the future can be considered in the context of the normal regulatory reviews of HAL, under the Civil Aviation Act 2012.

Administrative burden reduction

- 4.35 We consider that revoking the 1991 TDRs would also contribute to regulatory simplification and reduce the overall administrative burden on ACL, industry and the CAA and Government. This is because:
- revoking the 1991 TDRs 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, London-specific regulatory overlay. This will likely also be of benefit to Government as the ultimate owner of the airport capacity allocation framework in the UK; and

consultation with airlines, this proposal was not implemented on that occasion – see [HAL's 2023 aeronautical charges direction statement](#).

⁵³ The licence granted to HAL (January 2026) is available at [Heathrow licence and monitoring](#).

- the CAA would no longer need to conduct seasonal analyses to define periods of peak congestion – a process explained in paragraphs 1.16 to 1.20 of chapter 1 – in coordination with ACL and airport operators, or to publish it through the NATS' Aeronautical Information Service⁵⁴ and the CAA's website.

4.36 Revoking the 1991 TDRs would therefore also 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.⁵⁵ That said, we accept that the magnitude of these savings is likely to be modest.

Compatibility with future capacity expansion

4.37 We consider that the 1991 TDRs would become even less appropriate in the event additional runway capacity becomes available at Heathrow or Gatwick airports. In such circumstances, allocation of new airport capacity is likely to be governed by reformed Slot Regulations and updated policy objectives, making legacy TDRs increasingly ill-suited to be part of any future framework. Revocation in the short to medium term would therefore avoid embedding outdated mechanisms into future capacity-allocation decisions.

4.38 Furthermore, with less peak congestion at those airports, through appropriate slot allocation, there would presumably be a better case for Heathrow and Gatwick airports to have the option to cater for a more diverse range of business models.

Final advice to the Secretary of State

4.39 **Our final advice is that the SoS should revoke the 1991 TDRs.** The reasons for that 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 specific categories of traffic, irrespective of economic value or operational context;

⁵⁴ See [Aeronautical Information Service - NATS](#) for more information

⁵⁵ See [New approach to ensure regulators and regulation support growth \(HTML\) - GOV.UK](#) and [Chancellor John Healey's Growth Speech 2026 - GOV.UK](#)

- in practice, the revocation of the 1991 TDRs is unlikely to have a significant impact on how capacity is used at Heathrow and Gatwick airports in the short to medium term;
- however, it is possible that whole-plane cargo operators might seek to obtain a small number of slots, particularly at Heathrow Airport. To the extent that they are successful, that may represent a better use of airport capacity at the margin, as the operators of passenger services expecting to generate relatively weaker returns are the ones that would normally be more willing to sell their slots for an attractive price;
- alternative regulatory and economic mechanisms are available and used 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 (reducing regulatory costs); and
- we consider revocation would 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 applying in those circumstances anyway.

Alternative options to revocation

4.40 In reaching our 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, at least until significant new runway capacity is delivered at Heathrow or Gatwick airports; and
- retaining but extending the 1991 TDRs to other congested London airports such as Stansted or Luton airports.

4.41 We discounted partial revocation because differential treatment of traffic types would continue to promote hard-edged restrictions against particular traffic types and risk replicating many of the same issues of rigidity, complexity and inconsistency with the slot allocation framework that arise under the 1991 TDRs. While some stakeholders considered that there was a stronger case for 1991 TDRs to continue to apply to GA/BA compared to whole-plane cargo, we do not see a case where GA/BA would likely be willing and able to enter Heathrow and Gatwick airports during periods of peak congestion, although they may continue to make use of *ad hoc* slots as and when made available.

- 4.42 Similarly, we consider that retaining the 1991 TDRs until future capacity expansion would principally serve to maintain the current regulatory status quo for a limited period. Given that the 1991 TDRs have been in force for around 35 years, and that airport capacity expansion is itself likely to prompt wider consideration of slot allocation and access arrangements, we do not consider there to be a strong case for preserving the existing regime pending that future event. Doing so would risk perpetuating an increasingly outdated intervention whose practical effects are already largely overshadowed by slot scarcity and airport movement caps, while creating a need to revisit the issue again once additional capacity is delivered. Revocation at this stage therefore provides greater regulatory certainty and reduces the risk of future regulatory disruption, supporting longer-term planning and investment decisions across the sector.
- 4.43 Finally, we consider that 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 reducing system-wide efficiency rather than create efficient mechanisms to deal with airport congestion and its causes.
- 4.44 For these reasons, we do not consider that these alternative approaches would provide a more proportionate or effective solution than revocation.

Implementation, monitoring and future intervention

- 4.45 **We recommend that the SoS revokes the 1991 TDRs as soon as possible,** while allowing for a reasonable transition period. This is because:
- a transition period would reflect the nature of airport capacity planning as a forward-looking activity, generating less uncertainty, and minimising or eliminating any disruption, 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.
- 4.46 If evidence emerges of significant future entry by whole-plane cargo or GA/BA operators at Heathrow and Gatwick airports and that 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 some version of TDRs.

Next steps

- 4.47 The SoS will consider our final advice and decide whether the 1991 TDRs are retained, amended or revoked.

APPENDIX A

List of Respondents to the May Consultation (CAP 3250)

1. AICES
2. Airlines UK
3. DHL
4. easyJet
5. European Express Association (EEA)
6. Gatwick Airport Limited (GAL)
7. Heathrow Airport Limited (HAL)
8. IATA
9. International Airlines Group (IAG)
10. Logistics UK
11. Lufthansa Group
12. Manchester Airports Group (MAG)
13. Regional and Business Airports Group (RABA)
14. Ryanair
15. UPS
16. US Cargo Airline Association (USCAA)
17. Virgin Atlantic

APPENDIX B

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/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
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