UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 23, 2018

Brian D. Miller
Latham & Watkins LLP
brian.miller@lw.com

Re: American Airlines Group Inc.
Incoming letter dated February 6, 2018

Dear Mr. Miller:

This letter is in response to your correspondence dated February 6, 2018 concerning the shareholder proposal (the "Proposal") submitted to American Airlines Group Inc. (the "Company") by Flyers Rights Education Fund for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Paul Hudson
Flyers Rights Education Fund
paul@flyersrights.org

March 23, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: American Airlines Group Inc.
Incoming letter dated February 6, 2018

The Proposal requests that the board prepare a report on the regulatory risk and discriminatory effects of smaller cabin seat sizes on overweight, obese and tall passengers.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to its ordinary business operations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Evan S. Jacobson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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LATHAM & WATKINS LLP

February 6, 2018

VIA ELECTRONIC MAIL

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: **American Airlines Group Inc.**
Stockholder Proposal of Flyers Rights Education Fund
Securities Exchange Act of 1934 – Rule 14a-8

Ladies and Gentlemen:

This letter is submitted pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. American Airlines Group Inc. (the "Company") has received a stockholder proposal, attached hereto as Exhibit A (the "Proposal"), from Flyers Rights Education Fund (the "Proponent") for inclusion in the Company's proxy statement for its 2018 annual meeting of stockholders. The Company hereby advises the staff (the "Staff") of the Division of Corporation Finance that it intends to exclude the Proposal from its proxy statement for the 2018 annual meeting (the "Proxy Materials"). The Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") if the Company excludes the Proposal pursuant to Rule 14a-8(i)(7), as the Proposal relates to the Company's ordinary business matters.

By copy of this letter, we are advising the Proponent of the Company's intention to exclude the Proposal. In accordance with Rule 14a-8(j)(2) and Staff Legal Bulletin No. 14D, we are submitting by electronic mail:

- this letter, which sets forth our reasons for excluding the Proposal; and
- the Proponent's letter submitting the Proposal.

Pursuant to Rule 14a-8(j), we are submitting this letter not less than 80 days before the Company intends to file its Proxy Materials.

The Proposal

The Proposal requests that the Company's stockholders approve the following resolution:

> **RESOLVED**: The shareholders of American Airlines Group, Inc. (the "Company") request that the Board of Directors prepare a report on the regulatory risk and discriminatory effects of smaller cabin seat sizes on overweight, obese, and tall passengers. This report will also analyze the impact of smaller cabin seat sizes on the Company's profit margin and stock price.

A copy of the Proposal and supporting statement, which were received by the Company on December 22, 2017, are attached to this letter as Exhibit A.

Grounds for Exclusion

The Company intends to exclude this Proposal from its Proxy Materials, and respectfully requests that the Staff concur that the Company may exclude the Proposal pursuant to Rule 14a-8(i)(7) because it relates to the ordinary business operations of the Company.

Under Rule 14a-8(i)(7), a company may exclude a stockholder proposal from its proxy materials "[i]f the proposal deals with a matter relating to the company's ordinary business operations." The Commission has stated that the "general underlying policy of this exclusion is consistent with the policy of most state corporate laws: to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." Exchange Act Release No. 34-40018 (May 21, 1998) ("1998 Release"). As explained by the Commission, the term "ordinary business" in this context refers to "matters that are not necessarily 'ordinary' in the common meaning of the word, and is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." *Id*.

The Commission stated in the 1998 Release that the policy underlying the ordinary business exclusion is based on two considerations:

- first, whether a proposal relates to "tasks that are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight;" and

- second, whether a "proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

The Staff has also provided guidance as to when a proposal requesting the preparation of a report is excludable under 14a-8(i)(7), stating that it may be excludable "if the subject matter of the special report . . . involves a matter of ordinary business." Exchange Act Release No. 34-20091 (Aug. 16, 1983) ("1983 Release"); *Duke Energy Corp.* (avail. Feb. 24, 2012); *PepsiCo, Inc.*

(Mar. 3, 2011); *FedEx Corp.* (avail. Jul. 14, 2009). The Commission has distinguished between proposals involving "business matters that are mundane in nature," which are properly excluded under Rule 14a-8(i)(7), and those which have "significant policy, economic or other implications inherent in them," which are beyond the scope of the exclusion. Exchange Act Release No. 34-12999 (Nov. 22, 1976).

As explained below, the subject matter of the Proposal concerns an ordinary course business matter, the configuration of seats on the Company's various aircraft, and does not have any significant policy implications. Accordingly, the Proposal may be properly excluded pursuant to Rule 14a-8(i)(7) as it relates to the Company's ordinary business operations.

The Subject Matter of the Proposal is Fundamental to Management's Ability to Run the Company's Day-to-Day Business and the Proposal Seeks to Micromanage the Company

The Staff has consistently agreed that proposals relating to a company's sale and marketing of its products or services, or seeking to dictate management's day-to-day decisions regarding the selection of products or services offered, implicate a company's ordinary business operations and may be excluded pursuant to Rule 14a-8(i)(7). Relevant prior determinations by the Staff include:

- *Walgreens Boots Alliance, Inc.* (avail. Nov. 7, 2016), involving a proposal requesting that the company's board of directors issue a report "assessing the financial risk, including long-term legal and reputational risk, of [the company's] continued sales of tobacco products." The Staff concurred that the company could exclude the proposal under Rule 14a-8(i)(7) as relating to the company's ordinary business operations, as the proposal related to the company's sale of a particular product;

- *SeaWorld Entertainment, Inc.* (avail. Mar. 30, 2017), involving a proposal that urged the company's board of directors to retire the current resident orcas to seaside sanctuaries and replace the captive-orca exhibits with virtual and augmented reality. The Staff concurred that the company could exclude the proposal under Rule 14a-8(i)(7) as relating to the company's ordinary business operations because it "seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment";

- *Ford Motor Co.* (avail. Feb. 2, 2017), permitting exclusion under Rule 14a-8(i)(7) of a stockholder proposal requesting that the company prepare a report assessing the political activity resulting from the company's advertising and its exposure to risk therefrom because the proposal attempted to influence the manner in which the company advertises;

- *Amazon.com, Inc.* (avail. Mar. 11, 2016), permitting exclusion under Rule 14a-8(i)(7) of a stockholder proposal requesting that the company "issue a report

addressing animal cruelty in the supply chain" because "the proposal relates to the products and services offered for sale by the company" and "[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)";

- *Amazon.com, Inc.* (avail. Mar. 27, 2015), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting the disclosure of any reputational and financial risks the company may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells because "[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)";

- *Host Hotels & Resorts, Inc.* (avail. Feb. 6, 2014), permitting exclusion under Rule 14a-8(i)(7) of a proposal requiring the company to offer senior citizen and stockholder discounts because it relates to the company's ordinary business operations, as it relates to discount pricing policies;

- *FedEx Corp*. (avail. Jul. 11, 2014), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board prepare a report addressing how FedEx can respond to reputational damage resulting from its association with the NFL's Washington Redskins because it "relates to the manner in which FedEx advertises its products and services";

- *The Coca-Cola Co*. (avail. Jan. 21, 2009), permitting exclusion under Rule 14a-8(i)(7) of a proposal relating to the modification of the company's labels, packaging and marketing materials because it relates to the company's "ordinary business operations (i.e., marketing and consumer relations)";

- *The Quaker Oats Co.* (avail. Mar. 16, 1999), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting the formation of an employee committee to review advertising for content slandering people based on race, ethnicity, or religion because it relates to the manner in which the company advertises its products; and

- *PepsiCo, Inc*. (avail. Feb. 23, 1998), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company's board of directors prepare a report regarding the use of nonracist portrayals by the company because it relates to the ordinary business of the company.

This Proposal is fundamentally about the selection of products the Company offers to its customers – namely, the specifications of the seats it makes available for purchase on its flights. The Company's decisions regarding its product offerings, including cabin seat size, seat pitch (i.e., the distance between two seats), classes of service to be offered, the design and layout of aircraft cabins, and all other aspects of the configuration of its aircraft, are ordinary business matters of a complex nature that should not be subject to stockholder oversight nor, frankly, is it

even practical for the Company's stockholders to oversee such decisions given the scope of the Company's operations.

As of December 31, 2017, the Company's airline subsidiaries and regional affiliates operated 1,545 commercial aircraft, consisting of 948 aircraft operated in the mainline operation and 597 aircraft operated in the regional operation.[1] Among these aircraft were 23 separate major aircraft types varying in seating capacity from 36 seats on the Bombardier Dash 8-100 to 310 seats on the Boeing 777-300ER. These types of aircraft serve vastly varying missions – from very short-haul feed operations to intercontinental non-stop service involving flight times of ten hours or more. Even within a given fleet, the Company operates individual sub-fleet types with widely differing configurations to serve particular markets. For example, within the Company's Airbus A321 fleet there are aircraft optimized for transcontinental operation between San Francisco, Los Angeles and New York City (102 seats divided among four classes of service), as well as other sub-fleets with capacities of 181 seats and 187 seats (in each case, divided among three classes of service).[2]

Decisions regarding aircraft configuration, including seat specifications, are critical to the day-to-day operation of the Company's business and, as such, they are made carefully and purposefully by the Company's management and, as appropriate, its board of directors (the "Board"). The Company's management and, as appropriate, the Board, invest a significant amount of time, energy and effort in determining how the Company's aircraft should be configured, including how much space to offer each passenger within each class of service, and at what price, while also generating an appropriate return to the Company's stockholders. Further, these decisions are not made in a vacuum but rather are made in the face of a rapidly changing competitive environment. For example, while the Company's predecessor, US Airways, was the first U.S. airline to operate the Airbus A321 aircraft, that aircraft is now operated by six domestic competitors, each of which utilizes one or more different aircraft configurations[3]:

- Delta (192 seats, three classes of service);
- Frontier (230 seats, two classes of service);
- JetBlue Transcon/Mint (159 seats, four classes of service);

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[1] The Company's fleet summary is available on page 3 of the Investor Update filed on Form 8-K on January 10, 2018. Please see https://www.sec.gov/Archives/edgar/data/4515/000000620118000002/a8kinvestorupdateq4-17.htm.

[2] Specific data regarding the aircraft operated by the Company is provided on its website at https://www.aa.com/i18n/travel-info/experience/planes/planes.jsp.

[3] Specific data regarding competitor aircraft configurations is provided at https://www.seatguru.com/browseairlines/browseairlines.php.

- JetBlue (200 seats, two classes of service);
- Hawaiian (189 seats, three classes of service);
- Spirit (up to 228 seats, two classes of service); and
- Virgin America (185 seats, three classes of service).

Each of the airlines operating these aircraft is sourcing the aircraft and the key interior components (e.g., seats, galleys, lavatories) from the same finite group of vendors, and making configuration decisions based on the same regulatory construct that is applicable to the Company. However, as indicated above, they have each made significantly varying decisions regarding the number and size of seats to be carried on their aircraft based on their individual management assessments.[4] This example involving the Airbus A321 addresses just one of the 23 aircraft types operated by the Company and its regional affiliates.

The fundamental point illustrated by the foregoing example is that the Company's decisions regarding cabin configuration, including seat specifications, require a deep knowledge of the Company's business and operations – information to which the Company's stockholders do not have access. Determining the optimal layout for the Company's aircraft and designing seating arrangements requires an analysis of numerous factors, including the expected mission to be flown by the aircraft (e.g., average flight time and stage length), the degree to which space is important to customers, the ability to drive ticket sales and revenue, and the impact on operating efficiency, among others. The ability of the Company to make these types of decisions regarding the changing needs and demands of its customers and the constraints imposed by its competitors, as well as how such needs may impact the Company's profits and business operations, is fundamental to the operation of its business.

By attempting to impose upon the Company a specific decision with respect to the environment in which its passengers fly, the proposal seeks to micro-manage the Company's complex operations, interfering with routine decision making in respect of which the Company's stockholders are not in a position to make an informed judgment. Decisions related to the products offered to the customers who fly with the Company, including those related to their space and comfort, should be made by experts who have the education, training, expertise and regulatory knowledge sufficient to evaluate the attributes to the customers, as well as the risks and benefits to the Company. These decisions are not properly delegated to the Company's stockholders. As the Staff found in the examples noted above, proposals relating to the sale of services, those seeking to dictate management's decisions regarding the selection of products or services offered, and proposals that seek to micromanage the day-to-day business operations of a company relate to a company's ordinary business operations and may be excluded as such. For

[4] In fact, many of the seat configurations on the aircraft operated by the Company's competitors provide for less seat pitch than the configurations offered by the Company, regardless of class of service.

these reasons, the Proposal may be excluded pursuant to Rule 14a-8(i)(7) as the Proposal deals with matters relating to the Company's ordinary business operations.

To the extent that the Proponent might argue that a request for a report to stockholders regarding purported regulatory risk and discriminatory effects of smaller cabin seat sizes is not the same as dictating cabin seat sizes, we believe such an assertion is an attempt to put form over substance. Further, there is no regulatory issue implicated here.

The Company, as is the case with any operator of scheduled airline service, is very closely regulated by the Federal Aviation Administration (the "FAA"). The FAA regulates all aspects of the Company's operations, including the seats and other materials in the aircraft and the maximum number of passengers accommodated on an aircraft. Further, substantially all of the elements of operating a commercial aircraft, including the number and type of seats, are a matter of federal law, which preempts state law. See 49 USC §41713(b)(1) ("…a State, political subdivision of a State, or political authority of at least 2 States may not enact or enforce a law, regulation, or other provision having the force and effect of law related to a price, route, or service of an air carrier that may provide air transportation under this subpart."). The Company's operation is in compliance with applicable law and, in any event, intimating the existence of a "regulatory" issue does not change the analysis or conclusion under Rule 14a-8(i)(7).

The Staff has routinely rejected similar attempts to put form over substance. Relevant prior determinations by the Staff include:

- *Sempra Energy* (avail. Jan. 12, 2012), involving a proposal that urged the company's board of directors to "conduct an independent oversight review each year of the Company's management of political, legal and financial risks posed by [its] operations in any country that may pose an elevated risk of corrupt practices." Despite the stockholder's attempt to frame the proposal's subject matter as targeting the company's governance of risk, rather than the company's underlying operations, the Staff granted no-action relief under Rule 14a-8(i)(7) because "the underlying subject matter of these risks appear[ed] to involve ordinary business matters.";

- *Sprint Corp*. (avail. Jan. 28, 2004), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company prepare a report on the potential impact on recruitment and retention of employees due to changes in retiree health care and life insurance because the proposal relates to the ordinary business operations of the company, despite the stockholder's attempt to frame the subject matter as a report rather than a request to change operations;

- *The Home Depot, Inc*. (avail. Jan. 25, 2008), permitting exclusion under Rule 14a-8(i)(7) of a proposal asking the company to publish a report outlining safety policies and describing management action to address safety concerns because it relates to the company's "ordinary business operations (i.e., sale of particular products)"; and

- *Walgreen Co.* (avail. Oct. 13, 2006), permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report characterizing the extent to which certain private label products contained carcinogens and chemicals may be excluded because it relates to the company's "ordinary business operations (i.e., the sale of particular products)."

The U.S. Court of Appeals for the Third Circuit agreed with the Staff's position in the letters cited above, stating that "so long as the subject matter of the proposal relates—that is, bears on—a company's ordinary business operations, the proposal is excludable unless some other exception to the exclusion applies." *Trinity Wall Street v. Wal-Mart Stores*, 792 F.2d 323, 344–45 (3d Cir. 2015). *See also* 1983 Release ("[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable."). Thus, even though the Proposal is veiled under the cloak of a request for a report on certain purported regulatory risks and discriminatory effects of certain of the Company's offerings, it may properly be excluded under Rule 14a-8(i)(7) because the underlying subject matter of the Proposal relates to the Company's ordinary business – the sale of particular products.

The Proposal Does Not Raise a Significant Social Policy Issue That Would Override its Ordinary Business Subject Matter

In line with the guidance of the 1998 Release, the Proposal does not present any significant policy, economic, or other implications that transcend the day-to-day nature of the Company's business operations. In determining whether a stockholder proposal raises significant policy issues, the Staff has noted that it is not sufficient that the topic may have "recently attracted increasing levels of public attention," but instead it must have "emerged as a consistent topic of widespread public debate." *Comcast Corp.* (avail. Feb. 15, 2011). The topic of cabin seat sizes has admittedly attracted some public attention; however, it is not a topic of widespread public debate, nor does it implicate any risks for the Company so long as the Company is complying with all relevant rules, regulations and other legal requirements, which it is.

Please also see:

- *Ford Motor Co.* (avail. Jan. 2, 2018), rejecting the argument that whether and how the company chooses to feed its employees was a "significant policy issue" facing the company sufficient to override the ordinary business subject matter of the proposal, which attempted to influence the type of food the company provided to its employees;

- *Ford Motor Co.* (avail. Feb. 2, 2017), rejecting the argument that political activity resulting from the company's advertising constituted a significant policy issue sufficient to override the ordinary business subject matter of the proposal, which attempted to influence the manner in which the company advertises; and

- *FedEx Corp*. (avail. Jul. 11, 2014), rejecting the argument that controversy surrounding the Redskins' name was a "significant policy issue" facing the company sufficient to override the ordinary business subject matter of the proposal, which attempted to influence the manner in which the company advertises its products and services.

The Proponent did not provide any grounds to support a claim that the Proposal implicates a significant policy issue. Intimating, without any foundation or factual basis, that a "regulatory" or "discriminatory" issue might be present does not change this conclusion. Simply rattling off statistics regarding the average American's weight and height and the trends in airline seat size in recent years and making unsupported allegations regarding the fact that people are deterred from flying because of seat size does not make this a policy issue sufficient to override the ordinary business subject matter of the proposal.

Even if the Proposal Raises a Significant Social Policy Issue, Such Issue Does Not Override the Ordinary Business Nature of the Proposal

Moreover, even assuming that the Proposal does raise a "significant policy issue" (which it does not), such issue does not transcend the Company's day-to-day ordinary business operations of making decisions relating to its product offerings, including cabin seat size and the design and layout of its plane cabins. If the changing weight and height of Americans and the preference for more leg room were deemed to transcend the day-to-day business decisions of airline companies and their operations, then any business that provides goods or services would have "transcendent" spatial issues subject to stockholder review. Stockholders lack the requisite expertise to determine the appropriate layout, design, shape and/or size of seats on an aircraft in the face of the multitude of commercial, competitive, regulatory and operating issues involved. Stated simply, the management of such day-to-day operations properly lies with the Company's employees and its Board.

Although the Company has significant resources, both its financial resources and management's time are necessarily limited. Company funds and management time spent pursuing the Proponent's request to produce a report represent funds and management time that would be diverted from the Company's pursuit of its chosen approach to cabin seat size and spatial arrangement, among other things. Diverting limited resources to pursue an alternative plan would only make the likelihood of achieving the Proponent's wishes more remote. The specific and detailed choices a company makes to implement a specific policy, such as the size of the seats on its airplanes, are exactly the types of day-to-day operational decisions that the 1998 Release recognized as too impractical and complex to subject to direct stockholder oversight.

The Board has Determined that the Proposal Does Not Transcend the Company's Ordinary Business Operations and Concurs with the Analysis Provided in this Letter

As noted previously, the 1998 Release explains that a proposal that raises matters that are "so fundamental to management's ability to run a company on a day-to-day basis that they could

not, as a practical matter, be subject to direct shareholder oversight" may be excluded unless the proposal raises policy issues that are sufficiently significant to transcend day-to-day business matters. The applicability of the significant policy exception "depends, in part, on the connection between the significant policy issue and the company's business operations." Staff Legal Bulletin No. 14H (Oct. 22, 2015), citing Staff Legal Bulletin No. 14E (Oct. 27, 2009).

On November 1, 2017, the Staff published Staff Legal Bulletin No. 14I ("SLB 14I"), which announced new Staff policy regarding the application of Rule 14a-8(i)(7). The Staff stated in SLB 14I that whether a policy issue is of sufficient significance to a particular company to warrant exclusion of a proposal that touches upon that issue may involve a "difficult judgment call" which the company's board of directors "is generally in a better position to determine," at least in the first instance. A well-informed board, the Staff said, exercising its fiduciary duty to oversee management and the strategic direction of the company, "is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote." SLB 14I.

Consistent with this guidance, we are authorized to confirm that this letter reflects the views of the Board, specifically, that the matters raised by the Proposal are properly viewed as within the day-to-day responsibility of the Company's management and the Board and could not, as a practical matter, be subject to direct stockholder oversight.

In particular:

- The Proposal and a draft of this no-action letter were provided to all directors on January 18, 2018.

- The Proposal was an agenda item for the Company's Corporate Governance and Nominating Committee (the "Corporate Governance Committee") at an in-person meeting held on January 23, 2018. Also present for the portion of the Corporate Governance Committee's meeting at which the Proposal was discussed were, among others, the executive officers of the Company, including those officers responsible for operations and regulatory affairs, and a majority of the Board as well as outside corporate counsel. After discussion, the Corporate Governance Committee stated its concurrence with the analysis reflected in this letter.

- During an in-person meeting of the full Board held on January 24, 2018, the Chair of the Corporate Governance Committee, as an element of his report of the January 23, 2018 Corporate Governance Committee meeting, reported to the full Board on the conclusions referenced above, invited comments as to the conclusions and described the process for any director to provide comments to the draft of this no-action letter that had been circulated in advance.

* * * *

For the foregoing reasons, the Company believes that it may properly exclude the Proposal from the Proxy Materials under Rule 14a-8(i)(7) because the Proposal impermissibly relates to ordinary business matters.

* * * *

If the Staff does not concur with the Company's position, we would appreciate an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff's final position. In addition, the Company requests that the Proponent copy the undersigned on any response it may choose to make to the Staff, pursuant to Rule 14a-8(k).

Please contact the undersigned at (202) 637-2332 to discuss any questions you may have regarding this matter.

Very truly yours,

Brian D. Miller
of LATHAM & WATKINS LLP

Enclosures

cc: Paul Hudson, President of Flyers Rights Education Fund
Kenneth Wimberly, American Airlines Group Inc.
Tony Richmond, Latham & Watkins LLP

Exhibit A

Proposal from Flyers Rights Education Fund

RESOLVED: The shareholders of American Airlines Group, Inc. (the "Company") request that the Board of Directors prepare a report on the regulatory risk and discriminatory effects of smaller cabin seat sizes on overweight, obese, and tall passengers. This report will also analyze the impact of smaller cabin seat sizes on the Company's profit margin and stock price.

SUPPORTING STATEMENT

Average seat width in economy class has dramatically decreased in the past two decades, from 18.5 inches in the early 2000s to 17 inches today. (www.thedailybeast.com/flying-coach-is-so-cramped-it-could-be-a-death-trap). Seat pitch (leg room) in economy class has similarly declined, "from an average of 35 inches in the early 2000s to 31 inches today – and in an increasing number of cases […] 28 inches." *Id.* On an American Boeing 737 MAX, the seat width in the main cabin ranges from 16.6 inches to 17.8 inches and seat pitch is 30 inches. (https://www.aa.com/i18n/travel-info/experience/planes/planes.jsp)

According to the CDC, over 70% of American adults aged 20 and over are overweight or obese. (www.cdc.gov/nchs/fastats/obesity-overweight.htm) About 4% of adults are also now over 74 inches (6'2") tall.

Reducing seat size in the face of these trends risks losing loyal customers at best – and discriminates at worst. When the Air Carrier Access Act was enacted, seat width in economy class on American Airlines ranged from 19 inches to 20 inches, while seat pitch in economy class ranged from 31 inches to 33 inches. (https://www.usatoday.com/story/travel/columnist/mcgee/2014/09/24/airplane-reclining-seat-pitch-width/16105491/) Those who passed the law could hardly have imagined that a majority of

Americans could now be in a position where one seat is insufficient without encroaching on their neighboring seat mate or the aisle.

Some effects of reducing seat size and passenger space are already on display. According to the Association of Professional Flight Attendants, "flights (have) had to divert after passengers got into fights over reclining seats and lack of leg room." (https://www.reuters.com/article/us-airlines-seats/airline-seat-squeeze-raises-health-and-safety-concerns-idUSKBN0N723A20150416) Reduced seat pitch has also made "it harder for crew to treat anyone needing medical help." *Id.*

Reducing seat size and passenger space also exposes the Company to potential regulatory risk. In July, 2017 the U.S. Court of Appeals for the D.C. Circuit ordered the FAA to adequately address a petition brought asking the agency "to promulgate rules governing the minimum requirements for seat sizes and spacing on commercial passenger airlines." (https://www.cadc.uscourts.gov/internet/opinions.nsf/79A1759702B937FE8525816B00543945/$file/16-1101-1686279.pdf)

Excluding a majority of the population from being able to reliably, comfortably, and safely use the Company's services is highly questionable as a business model for the Company, its revenue, and shareholder interests. Millions of passengers who would otherwise fly are now forced to look to alternate forms of transportation.

We urge shareholders to vote FOR this proposal.