



DIVISION OF
CORPORATION FINANCE

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

April 8, 2025

Brian D. Miller
Latham & Watkins LLP

Re: American Airlines Group Inc. (the "Company")
Incoming letter dated April 7, 2025

Dear Brian D. Miller:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the New York City Retirement Systems and co-filer (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its February 7, 2025 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Michael Garland
Office of the Comptroller of the
City of New York

February 7, 2025

VIA ONLINE SUBMISSION FORM

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

555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: +1.202.637.2200 Fax: +1.202.637.2201
www.lw.com

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Re: **American Airlines Group Inc.
Stockholder Proposal of the Comptroller of the City of New York and SOC
Investment Group
Securities Exchange Act of 1934 – Rule 14a-8**

To the addressee set forth above:

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 the Comptroller of the City of New York and SOC Investment Group (the “Proponents”) for inclusion in the Company’s proxy statement for its 2025 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 2025 annual meeting (the “2025 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) because the proposal relates to the Company’s ordinary business matters.

By copy of this letter, we are advising the Proponents of the Company’s intention to exclude the Proposal. In accordance with Rule 14a-8(j)(2) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are submitting electronically to the Staff:

- this letter, which sets forth our reasons for excluding the Proposal; and
- correspondence with the Proponents related to the Proposal.

Pursuant to Rule 14a-8(j), we are submitting this letter not less than eighty (80) calendar days before the Company intends to file its definitive 2025 Proxy Materials with the Commission. Please note that the Company intends to file a preliminary proxy statement no later than April 17, 2025. As such, the Company respectfully requests that the Staff provide a response to this letter prior to that date if possible.

The Proposal

The Proposal sets forth the following resolution to be voted on by the Company's stockholders:

Resolved: Investors request that the Board of Directors prepare a report on American Airlines' ("American") efforts to address heat-related dangers to workers throughout its operations. The report should be produced at reasonable cost, exclude confidential or proprietary information, and should be disclosed on American's website no later than December 31, 2025.

A copy of the Proposal, including the supporting statement, is attached to this letter as Exhibit A.

Grounds for Exclusion

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to, and does not transcend, the ordinary business operations of the Company.

A. Background of the Ordinary Business Exclusion.

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."

Notwithstanding these considerations, 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). When determining such “significant social policy issues,” the Staff reiterated in Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB 14L”) that the Commission will look for “social policy significance” and “whether the proposal raises issues with a broad societal impact.”

The 1998 Release points to “the management of the workforce, such as the hiring, promotion, and termination of employees,” as an example of the kind of stockholder proposal topic that is excludable as a matter of ordinary business operations under Rule 14a-8(i)(7). In *Unisys Corp.* (avail. Feb. 19, 1993), the Staff stated that it views “proposals directed at a company’s employment policies and practices with respect to its non-executive workforce to be uniquely matters relating to the conduct of the company’s ordinary business operations,” and in particular, proposals addressing the categories of “management of the workplace, employee supervision, labor-management relations, employee hiring and firing, [and] *conditions of the employment...*” are excludable under the ordinary business exception (*emphasis added*).

Subsequently, the Staff has consistently permitted exclusion of stockholder proposals under Rule 14(a)-8(i)(7) primarily relating to the management of the company’s workforce or workplace environment. *See e.g., Yum! Brands, Inc.* (avail. Mar. 6, 2019) (permitting exclusion of a proposal that relates to claims of inequitable employment practices); *Bristol-Myers Squibb Co.* (avail. Jan. 7, 2015) (permitting exclusion of a proposal that relates to the adoption of antidiscrimination principles); *Starwood Hotels & Resorts Worldwide, Inc.* (avail. Feb. 14, 2012) (permitting exclusion of a proposal that relates to citizenship requirements for all workers in the U.S.); *Northrop Grumman Corp.* (avail. Mar. 18, 2010) (permitting exclusion of a proposal that relates to the disclosure of the educational status of job candidates).

Importantly, the Staff has made it clear that framing a stockholder proposal in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the company. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). *See also Delta Air Lines, Inc.* (avail. April 24, 2024) (involving the exclusion of a proposal that requested a report on company expenditures that are intended or could be viewed as intended to dissuade employees from joining unions, in which the Staff determined that the proposal related to the company’s ordinary business operations); *Omnicom Group Inc.* (avail. March 17, 2021) (involving the exclusion of a proposal that requested a report on whether the company’s advertising policies were contributing to violations of civil or human rights, in which the Staff determined that the proposal related to the company’s ordinary business operations); and a number of the other precedent letters cited below.

As explained below, the subject matter of the Proposal concerns an ordinary course business matter – workplace safety – and does not have any significant policy implications. The Proposal implicates each of the central considerations underlying the ordinary business exclusion: the subject matter of the Proposal deals with issues that are “fundamental to management’s ability to run the company on a day-to-day basis” and seeks to micromanage the Company by limiting its discretion with respect to its complex, day-to-day operations. *See* 1998 Release. Furthermore, the Proposal does not focus on social policy issues of sufficient significance to transcend day-to-day business matters of the Company. Accordingly, the Proposal relates to, and does not transcend, the

Company's ordinary business operations and therefore may properly be excluded from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7).

B. The Proposal is Excludable Because it Relates to Workplace Safety, Which is an Ordinary Business Subject Matter.

The Staff has routinely and consistently recognized that proposals relating to workplace safety are a matter of ordinary business and therefore excludable under Rule 14a-8(i)(7). These decisions underscore the principle that workplace safety, while crucial, is considered an integral part of a company's day-to-day management and does not transcend ordinary business matters. Relevant prior determinations by the Staff include:

- *AT&T Inc.* (avail. Mar. 14, 2024), involving a proposal requesting an independent third-party assessment of the company's due diligence process for preventing health and safety violations in the company's supply chain for wireless communications services. The Staff concurred that the proposal "relates to ordinary business matters"; *see also Verizon Communications Inc.* (avail. Mar. 14, 2024);
- *Exxon Mobil Corp.* (avail. Mar. 22, 2022), involving a proposal requesting a report on flaring events and risk of industrial accidents that may arise from the use of temporary replacement workers. The Staff concurred that the proposal "relates to, and does not transcend, ordinary business matters";
- *Amazon.com, Inc.* (avail. Apr. 1, 2020, recon. denied Apr. 9, 2020), involving a proposal requesting a report on the company's efforts to reduce the risk of accidents, including the board's oversight process of safety management, staffing levels, and inspection and maintenance of facilities and equipment. The Staff specifically noted that despite the proponent's attempts to shift the focus of the proposal to mitigation of health risks regarding the Covid-19 pandemic, the proposal focused on "workplace accident prevention, an ordinary business matter, and does not transcend the [c]ompany's ordinary business operations." *See also The Chemours Co.* (avail. Jan. 17, 2017);
- *Pilgrim's Pride Corp.* (avail. Feb. 25, 2016), involving a proposal requesting a report describing the company's policies, practices, performance, and improvement targets related to occupational health and safety. The Staff concurred with the exclusion of the proposal as it relates to the company's ordinary business operations, noting that it "relates to workplace safety";
- *CNF Transportation, Inc.* (avail. Jan. 26, 1998), involving a proposal requesting that the board develop and publish a safety policy accompanied by a report analyzing the long-term impact of the policy on the company's competitiveness and stockholder value. The Staff concurred that the proposal "relat[es] to the conduct of the [c]ompany's ordinary business operations (i.e., disclosing safety data and claims history)"; and
- *Chevron Corp.* (avail. Feb. 22, 1988), involving a proposal requesting that American workers assigned in the People's Republic of Angola be reassigned to other countries. The Staff concurred that the proposal "relat[es] to the conduct of

the Company's ordinary business operations (i.e., the protection of the safety of [c]ompany employees)."

Here, as in the precedent cited above, the Proposal is concerned with safety management and the prevention of safety-related incidents. The Proposal requests a report on the Company's efforts to address heat-related dangers to workers throughout its operations. Addressing workplace conditions and safety, including heat-related hazards, is an important and complex task and a core responsibility of the Company's management. This function involves developing and implementing workplace policies and procedures, overseeing the workforce, and conducting routine business activities, all of which are essential to managing the Company's operations effectively and efficiently. The Proposal should therefore be omitted in accordance with the Staff's long-standing determination that workplace safety and accident prevention are fundamentally matters of ordinary business.

Recognizing the importance of safety throughout the Company's operations, the Company's Board of Directors maintains a Safety Committee of the Board to oversee the Company's policies, programs and practices with respect to, among other things, matters affecting the safety of the Company's employees. In addition, members of management receive regular updates on team member safety and risks across the Company's operations, and focus on injury reduction, evaluation of trends and development of safety enhancement programs. They also closely track on-the-job injuries, both as a part of the Company's safety culture and in an effort to continuously improve in these areas. The Company's approach to safety is guided by its Safety Management System, an organization-wide program for identifying and managing risk.

The Company has a rigid Heat Illness Prevention Policy that outlines hydration protocols, designated hydration stations, and team member responsibilities to mitigate the risks associated with extreme heat. As it relates to extreme heat, the Company reinforces the message throughout its operations that team members should notify their manager if they need a break, and the Company maintains hydration carts that circle the ramp during daylight hours as well as fixed hydration stations to ensure continuous access to water for team members working outside. The Company also operates multiple temporary cool zones — consisting of a shaded area and water station — on the ramp when temperatures are high and encourages team members to take breaks indoors as needed. The Company also implements seasonal safety communication and provides specialized personal protective equipment to reduce heat-related injuries, including cooling towels, hydration packs, Gatorade, cooling hats, specialized cooling vests and sunscreen. To reinforce these efforts, team members are required to complete mandatory yearly web-based training on heat illness prevention. The Company continuously assesses and revises its heat illness prevention policy as needed to ensure its effectiveness. This focus on safety is integral to the Company's ordinary business operations, ensuring that safety measures are not just an add-on but a core part of how the Company functions daily.

The Proposal's reference to potential impacts on productivity and growth further underscores its relation to ordinary business matters. Maintaining a safe and productive workforce is a fundamental objective of day-to-day business operations. Decisions regarding workplace policies and practices aimed at achieving this objective are inherently matters of ordinary business operations. Management is best positioned to assess and implement appropriate safety measures,

as they possess specialized knowledge of the Company's specific operations, work environments, and employee needs.

The Proposal therefore involves the development and implementation of workplace policies and procedures and the oversight of the Company's workforce, all of which are essential to managing the Company's operations effectively and efficiently. Thus, as in the precedent discussed above, the Proposal may properly be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

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

The Commission noted in the 1998 Release that stockholder proposals relating to ordinary business operations but "focusing on sufficiently significant social policy issues . . . generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 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).

Here, the Proposal does not raise a significant social policy issue that would transcend the Company's ordinary business operations. The Proposal's focus on workplace safety does not elevate it to the level of a significant social policy issue. The Proposal's emphasis on heat-related dangers to workers, while a serious concern, is fundamentally tied to the Company's day-to-day operations and management responsibilities.

The Company is aware that the Staff did not concur with the exclusion of workforce safety proposals under Rule 14a-8(i)(7) where the proposal related to the company's role in creating unsafe working conditions. In those instances, there were specific allegations or evidence that the company has failed in its duty to ensure workplace safety or has violated relevant laws and regulations. For instance, in *Amazon.com Inc.* (avail. Apr. 6, 2022), the proposal raised concerns about company injury rates higher than those in the company's industry and specific policies and practices that prioritized quotas and led to safety violations. Similarly, in *Dollar General Corp.* (avail. Mar. 31, 2023), the proposal raised concerns about a violent environment plagued by gun violence and company practices that prioritized profit over employee safety. Both these proposals therefore raised concerns about the companies' roles in creating unsafe working conditions and specific practices that led to violations of safety standards. In each of these proposals, the Staff's response in denying no-action relief referred to the proposals as transcending ordinary business matters.

In contrast, the Proposal focuses on the Company's efforts to address heat-related dangers to workers throughout its operations – it does not contain any specific allegations or evidence that the Company has failed in its duty to ensure workplace safety or has violated relevant safety laws and regulations. Rather, the Proposal seeks to address an issue that is related to workplace conditions while lacking any specific allegations of misconduct.

While the Company's efforts to address heat-related dangers to workers throughout its operations is extremely important, it is not an issue that has inherently broad societal impact

transcending the Company's ordinary business. The specific measures and protocols the Company implements to address heat-related dangers are intrinsically tied to the Company's day-to-day operations, regulatory compliance, and management's expertise, and thus excludable in reliance on Rule 14a-8(i)(7).

Accordingly, because the Proposal relates to ordinary business matters and does not focus on a significant social policy issue, the Proposal may be excluded under Rule 14a-8(i)(7).

Conclusion

For the foregoing reasons, the Company believes that it may properly exclude the Proposal from the 2025 Proxy Materials under Rule 14a-8(i)(7). We respectfully request that the Staff not recommend any enforcement action if the Company excludes the Proposal from its 2025 Proxy Materials. 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 Proponents 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) 637-2113 to discuss any questions you may have regarding this matter.

Very truly yours,



Jessica L. Lennon
of LATHAM & WATKINS LLP

Enclosures

cc: Michael Garland, Comptroller of the City of New York
Kyle Schut, SOC Investment Group
Matt Dominy, American Airlines Group Inc.
Tony Richmond, Latham & Watkins LLP

Exhibit A

Stockholder Proposal

Resolved: Investors request that the Board of Directors prepare a report on American Airlines’ (“American”) efforts to address heat-related dangers to workers throughout its operations. The report should be produced at reasonable cost, exclude confidential or proprietary information, and should be disclosed on American’s website no later than December 31, 2025.

Supporting statement:

Extreme temperatures are increasingly a concern for companies. According to the U.S. Bureau of Labor Statistics, heat-related workplace fatalities rose 19.4% from 2021 to 2022.¹ The International Labour Organization (ILO) meanwhile estimates that excessive heat contributes to 22.87 million occupational injuries annually, resulting in 18,970 deaths and 2.09 million disability-adjusted life years lost.² Furthermore, the ILO estimates 231 million workers were exposed to heatwaves globally in 2020, a 66% rise from 2000.³ In July 2024 it was announced that the United States and ILO had jointly launched what the ILO termed “a global campaign to protect workers from excessive heat stress.”⁴ The rise in heat-related injuries has also resulted in various domestic policy initiatives ranging from the U.S. Department of Labor’s proposed rules on protecting workers from extreme heat to a White House Summit on Extreme Heat.⁵

American Airlines workers have already been subjected to extreme heat. The Company’s own policy permits aircraft cabins to reach 90°F before being considered too hot to board.⁶ This standard appears to be for passengers, and it’s unclear if cabin cleaners or flight attendants have standards regarding extreme temperatures in cabins in the absence of passengers. Onboard air conditioning units may malfunction or be turned off to cut costs,⁷ while ground workers across the industry face sweltering temperatures and potentially insufficient cooling measures.⁸ Exposure to high temperatures can cause reduction in cognition, potentially leading to distraction, poor judgment, and increased aggression.⁹ Heat-derived injuries can also have effects

¹ <https://www.bls.gov/news.release/cfoi.nr0.htm>

² <https://www.ilo.org/resource/news/newly-launched-global-campaign-tackles-impact-heat-stress-workers-worldwide#:~:text=Additionally%2C%20the%20ILO%20estimates%20that,disability%2Dadjusted%20life%20years%20lost>

³ <https://www.ilo.org/resource/news/more-workers-ever-are-losing-fight-against-heat-stress>

⁴ <https://www.ilo.org/resource/news/newly-launched-global-campaign-tackles-impact-heat-stress-workers-worldwide#:~:text=Additionally%2C%20the%20ILO%20estimates%20that,disability%2Dadjusted%20life%20years%20lost>

⁵ <https://www.dol.gov/newsroom/releases/osha/osha20240702>; <https://www.whitehouse.gov/briefing-room/statements-releases/2024/09/14/readout-of-first-ever-white-house-summit-on-extreme-heat/>

⁶ <https://www.cnn.com/travel/airplane-cabins-heat-limits/index.html>

⁷ <https://www.nytimes.com/2024/07/11/weather/extreme-heat-planes-flying-airlines.html>

⁸ <https://www.nytimes.com/2023/10/05/health/heat-exposure-workers-osha.html>

⁹ <https://www.nytimes.com/2024/06/19/well/mind/heat-affect-brain-emotions.html>

that persist for years following the initial injury, and heat-injured individuals may face a heightened risk of death for decades afterward.¹⁰

Severe heat also threatens productivity – and therefore, growth. A 2021 report estimated that the U.S. could lose \$100 billion annually in labor productivity from heat, with such productivity losses reaching \$500 billion by 2050. This effect is likely to be most pronounced in the South.¹¹

Extreme temperatures thus pose a significant long-term concern for investors.¹² There is no standardized reporting system for investors to gain insight into how American’s practices and procedures around extreme temperatures protect workers and preserve growth in a competitive industry. It is not clear whether heat mitigation measures are consistently reaching all Company workers who are impacted by extreme heat. We urge shareholders to vote FOR this proposal.

¹⁰ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)01208-3/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01208-3/fulltext)

¹¹ <https://www.atlanticcouncil.org/wp-content/uploads/2021/08/Extreme-Heat-Report-2021.pdf>

¹² <https://www.nytimes.com/2023/10/05/health/heat-exposure-workers-oshha.html>

HITCHCOCK LAW FIRM PLLC
5614 CONNECTICUT AVENUE, N.W. • No. 304
WASHINGTON, D.C. 20015-2604
(202) 489-4813

CORNISH F. HITCHCOCK
E-MAIL: CONH@HITCHLAW.COM

7 March 2025

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

By online portal submission

Re: Shareholder proposal to American Airlines Group Inc.
from SOC Investment Group

Dear Counsel:

I write on behalf of SOC Investment Group to respond to the letter from counsel for American Airlines Group Inc. (“American” or the “Company”) dated 7 February 2025 (“American Letter”) in which American states an intent to omit a proposal (the “Proposal”) from the Company’s 2025 proxy materials, which SOC Investment Group co-filed with the New York City Employees’ Retirement System, the New York City Teachers’ Retirement System and the New York City Police Pension Fund (“Co-Filers”).¹ We respectfully ask the Division to advise American that the Division does not concur with the Company’s arguments.

The Proposal states:

Resolved: Investors request that the Board of Directors prepare a report on American Airlines’ (“American”) efforts to address heat-related dangers to workers throughout its operations. The report should be produced at reasonable cost, exclude confidential or proprietary information, and should be disclosed on American’s website no later than December 31, 2025.

The Supporting Statement provides details on why extreme temperatures are a growing concern for companies, citing data from the International Labor Organi-

¹ The Comptroller of the City of New York, which co-filed the Proposal on behalf of the Co-Filers, has reviewed and joins with SOC Investment Group in its response to the American Letter.

zation (“ILO”) about excessive heat injuries leading to deaths and disability-adjusted life years lost, as well as various policy initiatives in this country, including proposed rules from the Department of Labor and a White House Summit on Extreme Heat. The Supporting Statement cites examples of adverse consequences on airline workers, while more broadly, severe heat threatens productivity, thus making the topic one of long-term interest to investors, and there is no standardized reporting system for investors to gain insight into how American’s practices protect workers and preserve growth in a competitive industry.

American responds that the Proposal pertains to the Company’s “ordinary business” within the meaning of SEC Rule 14a-8(i)(7), but American has not carried its burden of proving that the Proposal falls within that exemption.

DISCUSSION.

In *Amendments To Rules On Shareholder Proposals*, Exchange Act Release No. 40018, 63 Fed. Reg. 29106 (28 May 1998), the Commission emphasized that the “ordinary business” exception rests on two considerations: (1) the fact that tasks are so fundamental to management’s ability to run a company that they don’t lend themselves to shareholder oversight, and (2) some proposals may be viewed as an effort to micromanage the company by probing too deeply into matters that shareholders, as a group, are not in a position to make an informed judgment. *Id.* at 29108 (footnote omitted). Even so, the Commission has long held the view that some topics may transcend ordinary business concerns if they have “significant policy, economic or other implications inherent in them.” *Adoption of Amendments Relating to Proposals by Security Holders*, Exchange Act Release No. 12999, 41 Fed. Reg. 52994, 52998 (3 December 1976). Thus, a proposal may transcend a company’s ordinary business operations even if the significant policy issue relates to the “nitty-gritty of its core business.” STAFF LEGAL BULLETIN 14H, Part C (22 October 2015).

The recent STAFF LEGAL BULLETIN 14M (12 February 2025), quoting the 1998 Release, stated that determinations are made on a “case-by-case basis, taking into account factors such as the nature of the proposal and the circumstances of the company to which it is directed. The Proposal here cannot be omitted under the (i)(7) exclusion, as it deals with an acknowledged policy issue that has a direct bearing on the Company and is drafted in a way to avoid any charge of “micromanagement.” American argues that the Proposal deals with a typical “ordinary business” issue and lacks a transcendent or “significant” policy issue to lift it out of the realm of the “ordinary.” Because the issues are inter-related, we discuss them together.

Excessive heat presents an issue that is anything but
“ordinary,” but is rather a “significant” policy issue.”

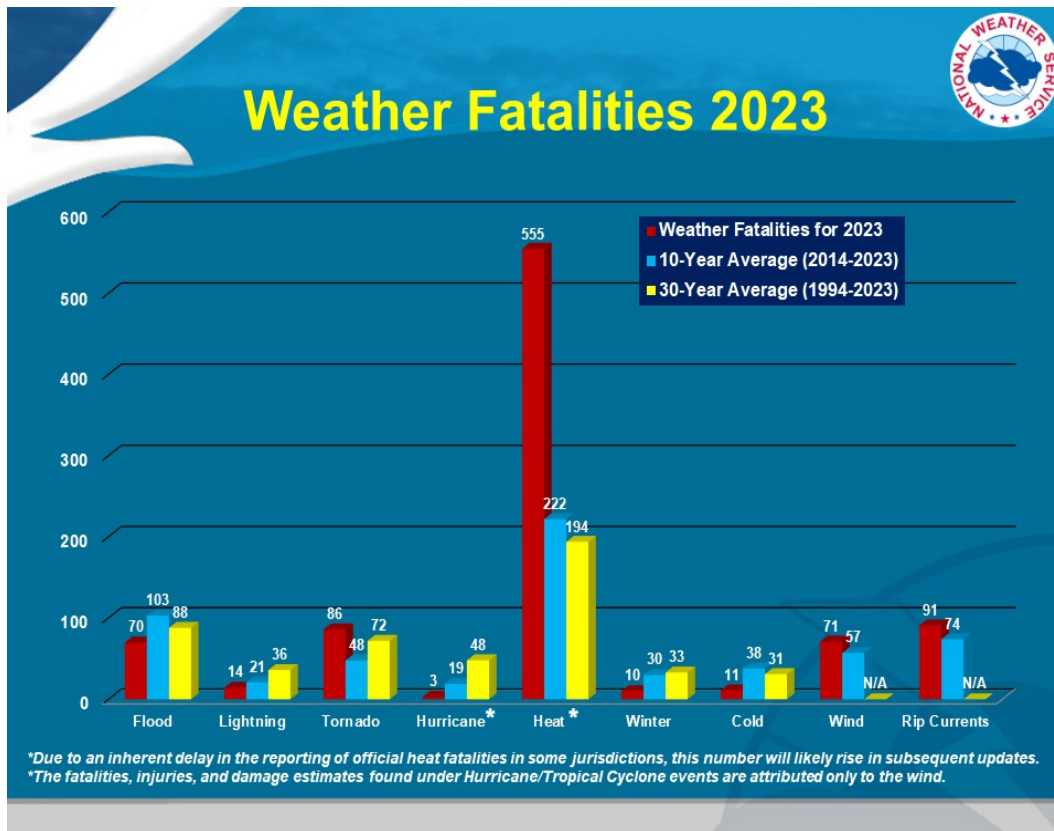
American appears to view excessive heat as a garden-variety occupational health hazard to be handled by management, with no overriding policy significance

and of no interest to shareholders. This is an excessively narrow view of what is at stake here. However, this diminishes the significance of recent changes in the earth's climate that have made extreme heat something more than a day-to-day occurrence that must be somehow coped with. Recent heat-related climate changes represent differences of kind, not simply degree. As the Environmental Protection Agency recently said:

Unusually hot days and heat wave events are a natural part of day-to-day variation in weather. As the Earth's climate warms, however, hotter-than-usual days and nights are becoming more common . . . and heat waves are expected to last longer and become more frequent and intense. Increases in these extreme heat events can lead to more heat-related illnesses and deaths, especially if people and communities do not take steps to adapt. Even small increases in extreme heat can result in increased deaths and illnesses.

Climate Change Indicators: Heat Waves (June 2024) (footnotes omitted), available at <https://www.epa.gov/climate-indicators/climate-change-indicators-heat-waves>.

Similarly, the National Weather Service reports that heat-related weather fatalities skyrocketed in 2023 (as shown below), reaching a level more than double the average number of heat-related fatalities over the prior ten years and greater than all other weather-related fatalities *combined*, including flood, lightning, tornado, hurricane, winter, cold, wind and rip currents. *Weather Related Fatality and Injury Statistics*, available at <https://www.weather.gov/hazstat/>.



Thus, even if heat-related stress may have been viewed as a typical occupational hazard in the past, that time is over. A 2024 report by an independent scientific group focused on excessive heat concerns to workers:

Climate change is causing hotter, longer, and more frequent extreme heat events — the leading cause of weather-related deaths in the U.S. Heat can be dangerous for anyone, but some face higher risks.

This includes weather-exposed workers who regularly work in hot temperatures, high humidity, intense radiation from the sun, or with limited air circulation or cooling.

Climate Central, *Rising Heat Risks for Workers* (30 July 2024), available at <https://www.climatecentral.org/climate-matters/rising-heat-risks-for-workers>.

The point is buttressed by the fact that, as the Supporting Statement pointed out, the Bureau of Labor Statistics tracks fatalities specifically due to environmental heat, and the number of such fatalities rose 19.4% from 2021 to 2022. *National Census of Fatal Occupational Injuries in 2022* (19 December 2023), available at https://www.bls.gov/news.release/archives/cfoi_12192023.pdf.

Moreover, the ILO estimates that excessive heat contributes to 22.87 million occupational injuries annually, resulting in 18,970 deaths and 2.09 million disability-adjusted life years lost. *Newly-launched global campaign tackles the impact of heat stress on workers worldwide* (July 2024), available at <https://www.ilo.org/resource/news/newly-launched-global-campaign-tackles-impact-heat-stress-workers-worldwide#:~:text=Newsroom-,Newly%2Dlaunched%20global%20campaign%20tackles%20the%20impact%20of%20heat%20stress,the%20G20%20Employment%20Working%20Group>. The ILO also estimates that 231 million workers were exposed to heat waves globally in 2020, a 66% rise from 2000. *More workers than ever are losing the fight against heat stress* (25 July 2024), available at <https://www.ilo.org/resource/news/more-workers-ever-are-losing-fight-against-heat-stress>.

In the United States, excessive heat issues have been central to various public initiatives, including a White House Summit on Extreme Heat, the summary of which began:

From worker heat exhaustion to bridge failures, extreme heat is increasingly placing strain on lives, livelihoods, and infrastructure.

Readout of First-Ever White House Summit on Extreme Heat (14 September 2024), available at <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2024/09/14/readout-of-first-ever-white-house-summit-on-extreme-heat/>.

Consider too a recently proposed rule to help protect some 36 million workers in indoor and outdoor work settings and substantially reduce heat injuries, illnesses and deaths in the workplace. Occupational Health and Safety Administration, *Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings*, 89 FED. REG. 70698 (30 August 2024). That proposal highlighted a number of health hazards that are magnified in the current excessive heat conditions, mentioning a “health hazard evaluation” from the National Institute on Occupational Safety and Health (“NIOSH”) of truck drivers for an airline catering facility who “skipped breaks they were allowed to take between deliveries in an air-conditioned room at the catering facility to keep up with job demands,” adding: “Such attitudes appear common in employees of all sectors.” Id. at 70788, citing NIOSH, *Criteria for a Recommended Standard: Occupational Exposure to Heat and Hot Environments* (2016), available at <https://www.cdc.gov/niosh/docs/2016-106/pdfs/2016-106.pdf?id=10.26616/NIOSH PUB 2016106>.

Initiatives have not been confined to the federal level. To mitigate the human risk presented by extreme heat, some local and state governments have passed rules setting standards about heat exposure. In September 2024, Maryland Occupational Safety and Health (“MOSH”) adopted a regulation requiring employers to develop heat-related illness prevention and management plans, monitor temperatures at work sites, train employees, and implement other measures such as breaks and acclimatization programs. These standards apply to any employer whose workers are exposed to a heat index equal to or exceeding 80°F – indoor or outdoor (with a few exceptions such as brief exposures). The standards require heat index monitoring that uses multiple data sources. MOSH, *Heat Stress* (September 2024), available at <https://www.labor.maryland.gov/labor/mosh/moshheatstress.shtml>. Maryland became the sixth state to adopt a heat stress regulation, joining California, Colorado, Oregon, Minnesota, and Washington. Nguyen, *Maryland Becomes Sixth State to Adopt Heat Illness Standard*, COMPLYAUTO, available at <https://complyauto.com/2024/10/22/maryland-becomes-sixth-state-to-adopt-heat-illness-standard/>.

Meanwhile, the New York City Comptroller’s Office published a report recommending passage of the Temperature Extreme Mitigation Program (“TEMP”) Act in the state assembly, as well as the expansion of outdoor heat standards to cover all outdoor workers through city legislation. Lander, *Safeguarding Outdoor Workers in a Changing Climate* (25 September 2024), available at <https://comptroller.nyc.gov/reports/safeguarding-outdoor-workers-in-a-changing-climate/#:~:text=Employer%20Requirements&text=Pass%20the%20Temperature%20Extreme%20Mitigation,water%2C%20shade%20and%20rest%20breaks.>²

² Concededly, not all legislative movement has been in the same direction. Florida and Texas have each passed laws restricting city and country governments from setting heat exposure requirements. Florida’s law specifies that local governments

The issue here goes beyond workforce management and has a dollars-and-cents impact on shareholders. A 2021 report estimated that the U.S. economy could lose an average of about \$100 billion annually due to heat-related labor productivity losses, with the most pronounced effects occurring in the Southern U.S., and in sectors most vulnerable to heat. Atlantic Council, *Extreme Heat: The Economic and Social Consequences for the United States* (2021), available at <https://www.atlanticcouncil.org/wp-content/uploads/2021/08/Extreme-Heat-Report-2021.pdf>. Such losses in productivity would stem from increased rates of absenteeism and turnover, as well as rising medical costs. Ebi *et al.*, *Hot weather and heat extremes: health risks*, THE LANCET (21 August 2021), available at [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)01208-3/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01208-3/fulltext). It is not necessary for workers to be repeatedly or continuously exposed to extreme heat for such productivity losses to occur – even a single episode of extreme heat exposure can yield decades-long effects, including a potential heightened risk of death. Extreme heat can also heighten the risk of non-heat-related injuries due to the fatigue brought on by high temperatures. Behrer, *The heat is on: How high temperatures are impacting workers and the global economy*, WORLDBANKBLOGS (17 July 2023), available at <https://blogs.worldbank.org/en/developmenttalk/heat-how-high-temperatures-are-impacting-workers-and-global-economy>.

More broadly, extreme heat is a factor that may not be fully considered by investors at present. A 2019 study examined the risks faced by equity investors in U. S. public companies because of “extreme high surface temperature” (“EHST”) events and found that when such events occur, investors may reassess physical climate risk and expected equity returns. Griffin *et al.*, *Extreme high surface temperature events and equity-related physical climate risk*, WEATHER AND CLIMATE EXTREMES (December 2019), available at <https://www.sciencedirect.com/science/article/pii/S2212094719300817>.³ This is

cannot surpass or preempt state standards, but Florida does not have any such standards. Neely and Robledo, *Florida joins Texas in banning local heat protections for outdoor workers*, USA TODAY (15 April 2024), available at <https://www.usatoday.com/story/news/politics/2024/04/15/florida-removes-heat-protections-texas/73335597007/>. Regardless of the specifics, this level of legislative attention – a desire to preempt local ordinances that do not yet exist – demonstrates the salience of excessive heat as a public policy concern.

³ EHST events are examined as a subset of weather events that the National Oceanic and Atmospheric Administration defines as “extreme,” *i.e.*, unusual or anomalous relative to the historical record or a break or near-break of a temperature record in a U.S. county over one or several days. The study focuses on EHST events because, unlike other extreme events (cold snaps, hurricanes or floods), EHST events are an important cause of death and disease in advanced and developing countries and, in the United States, are associated with physical and human costs.

evidenced by the equity prices of firms operating in places that experience EHST events dropping by an average of 0.42 percent over the following month, a result suggesting that investors may be underpricing the physical climate risk from extreme heat events.

Despite such evidence, American argues that the Proposal simply involves a generic issue of workplace safety, which is an “ordinary business” matter, and extreme high surface temperature issues of the sort discussed in the Proposal do not involve a “transcendent” policy issue that lifts the topic out of the realm of the “ordinary.”

What’s wrong with that argument?

We begin at a point that American largely ignores, *i.e.*, the fact that the Division for some time has recognized the “significant policy issue of climate change.” *Franklin Resources, Inc.* (24 November 2015) (requesting report of any incongruities between company’s proxy voting practices and statements regarding climate change). To be sure, not every proposal containing the word “climate” must be included in a company’s proxy materials, and proposals may be omitted, particularly if they attempt to “micromanage” a company’s operations too closely or if climate change is only tangentially related to the requested policy.

But here, climate change lies at the heart of this Proposal not in an abstract way, but with a specific focus on the adverse health effects of climate change that affect American’s operations. However, the Company ignores this overriding policy issue and instead tries to slot the Proposal into the pigeonhole reserved for “conditions of employment” or “workforce management” issues. American Letter, p. 3. American’s argument is flawed in several respects:

- The argument begins with a broad statement from *Unisys Corp.* (19 February 1993) that “proposals directed at a company’s employment policies and practices with respect to its non-executive workforce [are] uniquely matters relating to the conduct of the company’s ordinary business operations.” American seems unaware that *Unisys* was decided under the so-called *Cracker Barrel* doctrine, which for several years in the early 1990s read the “ordinary business” exclusion as barring any and all employment-related proposals. The Commission expressly reversed that interpretation in the 1998 rulemaking cited above, stating that “ordinary business” arguments should be evaluated on a “case-by-case basis.” Exchange Act Release No. 40018, *supra*, Part III, 63 FED. REG. at 29108.

- American also cites *YUM! Brands, Inc.* (6 March 2019) for the proposition that a company may exclude proposals pertaining to mandatory arbitration and non-disclosure agreements involving employment disputes. What American fails to

acknowledge, however, is that on the very same day that *YUM! Brands* was issued, the Division denied relief in *CBRE Group, Inc.*, where the proposal focused on the use of those procedures to shield disclosure about sexual harassment claims, a specific topic of considerable concern in the #MeToo era.⁴

American then turns to an argument that the Proposal may be excluded based on letters dealing with “workplace safety,” a subset of proposals on “workplace conditions,” i.e., “workplace safety,” and a claim that the Proposal does not involve any “significant” or “transcendent” policy issue. American Letter, pp. 4-7. Because the points are inter-related, we treat them together.

The letters that American cites fall into two categories, neither of which is present here.

- Proposals that were front-and-center about workforce management and only touched incidentally or tangentially on a more recognized public policy issue;⁵ and
- Proposals that focused on specific safety conditions without making a connection to a significant policy issue.⁶

⁴ The topics in the other letters cited in this part of American’s letter all fall within the realm of the “ordinary” and thus have little relevance here. Those letters are: *Bristol-Myers Squibb Co.* (7 January 2015) (no retaliation against employees for activities on their own time); *Starwood Hotels & Resorts Worldwide, Inc.* (14 February 2012) (procedures for hiring and firing employees, including verifying citizenship, training requirements); *Northrop Grumman Corp.* (8 March 2010) (give fired employees access to the internal job listings and rehiring priority afforded to active employees).

⁵ In addition to the letters cited in note 4, the letters cited by American that fall into this category are: *AT&T Inc.* (14 March 2024) (both seeking report on due diligence in managing “hazardous work” in supply chain for certain products, touching on human rights); *Chevron Corp.* (22 February 1988) (reassign employees during Angola civil war).

⁶ The cited letters that fall into this category are: *Exxon Mobil Corp.* (22 March 2022) (risks from “flaring events” and use of replacement workers); *Amazon.com, Inc. (International Brotherhood of Teamsters General Fund)* (1 April 2020) (accident rates); *Pilgrim’s Pride Corp.* (25 February 2016) (seeking report on all aspects of company workplace safety practices); *CNF Transportation, Inc.* (26 January 1998) (safety data and claims history).

Here, by contrast, the Proposal does raise a specific workplace issue, but it is one that is directly tied to an aspect of climate change that has a direct effect on American's business.

American does acknowledge that the Division has denied relief in several letters, but seeks to distinguish them on the ground that the proposals "raised concerns about the companies' roles in creating unsafe working conditions and specific practices that led to violations of safety standards." American Letter, p. 6. However, there is nothing in the cited letters that limited the Division's conclusion to that situation.

- In *Amazon.com, Inc. (Tazehozi)* (6 April 2022), the proposal sought an "independent third-party audit on workplace health and safety" that would evaluate "productivity quotas," "surveillance practices" and "the effects of these practices on injury rates and turnover," particularly with respect to Amazon's warehouse operations, which had been a topic of public concern. The Division's letter stated simply that the proposal there "transcends ordinary business matters" without mentioning who caused the conditions.

- In *Dollar General Corp.* (31 March 2023), the Division denied relief as to a proposal seeking an "audit on the impact of the company's policies and practices on the safety and well-being of workers," including risks from an "unsafe or violent environment," including gun violence. The proposal noted how OSHA had deemed the company to be a "severe violator" of safety standards and fined the company millions of dollars for these violations. The company's letter focused on how the proposal interfered with the company's litigation strategy, and in denying relief, neither the Division's letter or the correspondence indicated that the result rested on the fact that these hazards were the company's fault.

As an aside, the proposal received 67 percent of the yes/no vote and was supported by a majority of the outstanding shares, according to the Form 8-K filed on 1 June 2023.

Moreover, American ignores *Walmart Inc. (Murray)* (19 February 2021) (chart), where the proposal sought the creation of a "Pandemic Workforce Advisory Council" composed of hourly Associates, to provide advice to the Board (including any relevant Board committee) "upon request on pandemic-related workforce issues, including health and safety measures, whistleblower protection, and paid sick leave." The company argued that the existence of the pandemic was no reason to depart from precedents of the sort that American cites here, and even though there was no response from the proponent, the Division apparently disagreed, as it denied relief. Walmart plainly did not "create" pandemic conditions, so this letter cuts directly against American's arguments.

The common thread for all these letters is straight-forward: A company may

be entitled to no-action relief if a proposal centers on workplace conditions or workplace safety, even if the proposal “touches on” a broader policy issue. However, when as here, a proposal deals with a workplace issue that is directly tied to a broader policy issue – in this case, climate change – relief should be denied.

CONCLUSION.

For these reasons SOC Investment Group respectfully asks the Division to advise American that the Division does not concur in American’s assessment of the Proposal.

Thank you for your consideration of these points. Please do not hesitate to contact me if we can provide any additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cornish F. Hitchcock".

Cornish F. Hitchcock

cc: Jessica L. Lennon

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April 7, 2025

VIA ONLINE SUBMISSION FORM

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 the Comptroller of the City of New York and SOC Investment Group**

To the addressee set forth above:

On February 7, 2025, we submitted a letter on behalf of American Airlines Group Inc. (the “*Company*”) requesting that the staff of the Division of Corporation Finance (the “*Staff*”) concur that the Company could exclude a stockholder proposal and supporting statement (the “*Proposal*”) received from the Comptroller of the City of New York and SOC Investment Group (the “*Proponents*”) from the Company’s proxy statement for its 2025 Annual Meeting of Stockholders.

Pursuant to correspondence with the Proponents, the Proponents have agreed to withdraw the Proposal. Based on the withdrawal of the Proposal, the Company hereby informs the Staff that the Company is withdrawing its no-action request of February 7, 2025 relating to the Proposal.

Please contact the undersigned at (202) 637-2332 or by email at brian.miller@lw.com to discuss any questions you may have regarding this matter.

Very truly yours,



Brian D. Miller
of LATHAM & WATKINS LLP

cc: Michael Garland, Comptroller of the City of New York
Kyle Schut, SOC Investment Group
Matt Dominy, American Airlines Group Inc.
Tony Richmond, Latham & Watkins LLP