



DIVISION OF
CORPORATION FINANCE

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

April 15, 2025

Jessica L. Lennon
Latham & Watkins LLP

Re: American Airlines Group Inc. (the "Company")
Incoming letter dated January 21, 2025

Dear Jessica L. Lennon:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the Physicians Committee for Responsible Medicine for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal asks the board of directors to commission a report on the feasibility of, and the benefits that will result from, ensuring that all in-flight special meals are entirely plant-based.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to the Company's 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).

Copies of all of the correspondence on which this response is based 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: Mark Kennedy
Physicians Committee for Responsible Medicine

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

LATHAM & WATKINS LLP

January 21, 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

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Re: **American Airlines Group Inc.
Stockholder Proposal of Physicians Committee for Responsible Medicine
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 “2025 Proposal”), from the Physicians Committee for Responsible Medicine (the “Proponent”) 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 2025 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 2025 Proposal pursuant to Rule 14a-8(i)(7), as the 2025 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 2025 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 2025 Proposal; and
- the Proponent’s letter submitting the 2025 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 at all possible.

The 2025 Proposal

The 2025 Proposal requests that the Company's stockholders approve the following resolution:

RESOLVED

American Airlines Group Inc. has committed to reducing greenhouse gas emissions by 45% by 2035 and achieving carbon neutrality by 2050. Towards these ends, we urge the board to commission a report on the feasibility of, and the benefits that will result from, ensuring that all in-flight special meals are entirely plant-based.

A copy of the 2025 Proposal and supporting statement, which were received by the Company on November 8, 2024, are attached to this letter as Exhibit A.

In December 2023, the Proponent submitted a substantively similar stockholder proposal (the "2024 Proposal") for inclusion in the Company's proxy statement for its 2024 annual meeting of stockholders (the "2024 Proxy Materials"). The Company subsequently informed the Staff of its intention to exclude the 2024 Proposal from its 2024 Proxy Materials pursuant to Rule 14a-8(i)(7), and the Staff granted the Company's request for no-action relief, stating that "the [2024] Proposal relates to ordinary business matters." *American Airlines Group Inc.* (avail. April 1, 2024) (the "2024 No-Action Letter").

The 2024 Proposal requested that the Company ensure that "all in-flight special meals are free of common allergens and meet the needs of people seeking gluten-free, vegan, lactose-free, and other diet options." In the 2025 Proposal, the Proponent attempts to reframe the 2024 Proposal as a request for a report on the feasibility and benefits of making specific changes to the Company's in-flight special meal offerings – namely, the feasibility and benefits of ensuring that such special meals "are entirely plant-based" – as opposed to requiring the Company to provide specific types of meals, as was requested in the 2024 Proposal.

The Proponent's revisions are an obvious attempt to circumvent the Staff's grant of no-action relief with respect to the 2024 Proposal. However, regardless of these alterations, the Proponent's true objective remains the same, which is to influence the specific types of food options that are available on the Company's flights, a matter wholly within the ordinary course of the Company's business. The Staff concurred in the 2024 No-Action Letter with the Company's determination that such proposal was properly excluded from the 2024 Proxy Materials pursuant to Rule 14a-8(i)(7). The Staff should grant similar no-action relief with respect to the 2025 Proposal.

Grounds for Exclusion

The Company intends to exclude the 2025 Proposal from its 2025 Proxy Materials, and respectfully requests that the Staff concur that the Company may exclude the 2025 Proposal pursuant to Rule 14a-8(i)(7) because it 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.”

Importantly, the Commission 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 2025 Proposal concerns an ordinary course business matter – the preparation and offering of in-flight meals – and does not have any significant policy implications. The 2025 Proposal implicates each of the central considerations underlying the ordinary business exclusion: the subject matter of the 2025 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 2025 Proposal does not focus on social policy issues of sufficient significance to transcend day-to-day business matters of the Company. Accordingly, the 2025 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 Subject Matter of the 2025 Proposal is Fundamental to Management’s Ability to Run the Company’s Day-to-Day Business and the 2025 Proposal Seeks to Micromanage the Company

The 2025 Proposal requests that the Company’s board of directors (the “Board”) commission a report regarding the feasibility and benefits of ensuring that “all in-flight special meals are entirely plant-based.” Stated simply, the 2025 Proposal attempts to influence the particular products (i.e., entirely plant-based meals) that the Company provides to its customers and therefore involves the Company’s “ordinary business.”

The Staff has previously concurred that such proposals relate to a company’s ordinary business operations by allowing companies to exclude proposals seeking to influence management’s decisions with respect to menu items and food options. Relevant prior determinations in which the Staff permitted exclusion under Rule 14a-8(i)(7) include:

- *American Airlines Group Inc.* (avail. April 1, 2024), with respect to a proposal requesting that all in-flight special meals are free of common allergens and meet the needs of people seeking gluten-free, vegan, lactose-free, and other diet options; *see also United Airlines Holdings, Inc.* (avail. April 1, 2024); *Delta Air Lines, Inc.* (avail. April 22, 2024);
- *Select Medical Holdings Corp.* (avail. Feb. 20, 2024), with respect to a proposal requesting that the company adopt the American Medical Association’s policy for healthful foods for healthcare facilities and implement the program for healthful hospital foods developed by NYC Health + Hospitals system; *see also HCA Healthcare, Inc.* (avail. Feb. 21, 2024); *Universal Health Services, Inc.* (avail. Mar. 22, 2024); *Tenet Healthcare Corp.* (avail. Mar. 22, 2024);
- *HCA Healthcare, Inc.* (avail. Mar. 6, 2023), with respect to a proposal requesting the board of directors to require the company’s hospitals “to provide plant-based food options to patients at every meal, within vending machines, and in the cafeterias used by outpatients, staff and visitors”; *see also Elevance Health, Inc.* (avail. Mar. 6, 2023); *UnitedHealth Group Inc.* (avail. Mar. 16, 2023);
- *Ford Motor Co.* (avail. Jan. 2, 2018), with respect to a proposal recommending that the company *prepare a report* “outlining the costs and benefits of feeding its

employees, with the intention to promote health, productivity, and profitability” (*emphasis added*);

- *Papa John’s International, Inc.* (avail. Feb. 13, 2015), with respect to a proposal encouraging the board of directors “to expand [the company’s] menu offerings to include vegan cheeses and vegan meats” in order to “advance animal welfare, reduce its ecological footprint, expand its healthier options, and meet a growing demand for plant-based foods;”
- *General Mills, Inc.* (avail. July 2, 2010), with respect to a proposal directing the company to “limit its use of salt and other sodium compounds for the purpose of flavor enhancement;”
- *McDonald’s Corp.* (avail. Mar. 24, 1992), with respect to a proposal requiring the company to offer a “[low-fat] burger, switch to an all-vegetable cooking oil and offer salads as part of the menu in our international outlets;” and
- *McDonald’s Corp.* (avail. Mar. 9, 1990), with respect to a proposal recommending that the company introduce “a vegetarian entree whose means of production neither degrades the environment nor exploits other species.”

In each case noted above, the company articulated the complex decision-making process engaged in by the company in the ordinary, day-to-day operation of its business, relating to selecting menu items and food options.

The Staff has also 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:

- *The Kroger Co.* (avail. Apr. 25, 2023), involving a proposal requesting the board of directors to take the necessary steps to pilot participation in a program that would require the company to, among other things, give tomato purchase preference within their supply chain to certain program participants. The Staff agreed that the proposal sought to micromanage the company’s decision making with respect to suppliers from which the company chooses to buy its products, and as a result, could be excluded under Rule 14a-8(i)(7);
- *Bank of America Corp.* (avail. Feb. 21, 2019), involving a proposal requesting the company’s board of directors to **complete a report** evaluating each company’s overdraft policies and practices and the impacts they have on customers. The Staff permitted exclusion of the proposal under Rule 14a-8(i)(7) specifically because the proposal “relates to the products and services offered for sale by the [c]ompany”; *see also, JPMorgan Chase & Co.* (avail. Feb. 21, 2019) (*emphasis added*);
- *American Airlines Group Inc.* (avail. Mar. 23, 2018), involving a proposal requesting the Company’s board of directors to **prepare a report** on the regulatory risk and discriminatory effects of smaller cabin seat sizes on overweight, obese,

and tall passengers. The Staff concurred that the Company could exclude the proposal under Rule 14a-8(i)(7) because it related to the Company's ordinary business operations, which related to the products and services offered by the Company; *see also, Delta Air Lines, Inc.* (avail. Mar. 28, 2018) (*emphasis added*);

- *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 (*emphasis added*); and
- *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)" (*emphasis added*).

The 2025 Proposal is about nothing more than the selection of products the Company offers to its customers – namely, the food options available on its flights. Allowing stockholders to dictate which products the Company makes available for "all in-flight special meals" would inappropriately delegate management functions to stockholders. The Company's decisions regarding its product offerings, including meal and snack options provided to customers, sourcing of meal ingredients, and the amount of particular types of meals and snacks needed for each flight, are ordinary business matters of a complex nature that should not be subject to stockholder oversight. Furthermore, given the scope of the Company's operations, which encompass thousands of flights per day to nearly 350 destinations in more than 60 countries,¹ it would not be practical to allow stockholders to oversee or otherwise attempt to influence such decisions.

The meal choices offered on the Company's flights inherently involve complex operational, business and financial considerations requiring deep knowledge of ordinary business and operational matters, such as sourcing of products, sourcing of special meal options, transport of meals, the varying and transient needs and demands of respective customers, supply chain logistics and purchase costs, among others. These decisions are made carefully and purposefully by the Company's management, and a significant amount of time, energy, and effort is expended to determine the meal options and catering services of the Company's flights, while also generating an appropriate return to the Company's stockholders.

Assessing the many factors that influence purchase decisions and product offerings on flights, including meals, requires the real-time judgment and analysis of management, and the

¹ <https://americanairlines.gcs-web.com/>

product offering in turn affects the Company's other business decisions, including pricing of airline tickets, fuel needs, and network management. Further, these decisions are not made in a vacuum, but rather are made in the face of a rapidly changing competitive environment of airline offerings, products, and services. 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. Unlike Company management, the Company's stockholders are not well-positioned, and do not have the necessary knowledge, information, and resources, to make informed decisions or otherwise influence such business and operational matters.

By attempting to impose upon the Company a specific decision with respect to the products and services offered to passengers during a flight, the 2025 Proposal, like those addressed in the letters cited above, seeks to probe too deeply into matters of a complex nature, which are not appropriate for stockholder determination. Additionally, instead of "providing high-level direction on large strategic corporate matters," the 2025 Proposal would "inappropriately limit discretion of the board or management" by usurping the day-to-day decision-making process involved with purchase and menu decisions for the Company's various airlines and service routes. *See* SLB 14L. The ability of the Company to address constantly changing information, to which the Company's stockholders do not have access, related to sourcing and transport of products or special meal options, airline regulations, supply chain logistics, purchase costs and varying and transient needs and demands of the Company's customers, is fundamental to the Company's business operations, and cannot properly be submitted to stockholders to micromanage.

C. The 2025 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).

Food options available on flights are not inherently a significant policy issue. *See, e.g., 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); *General Mills, Inc.* (avail. July 2, 2010) (refuting the proponent's argument that the amount of salt and sodium use in the company's products relates to a significant social policy issue that transcends the company's day-to-day ordinary business operations).

Although the Supporting Statement of the 2025 Proposal references "the environmental benefits of plant-based meals are well-established" and urges stockholders to support the 2025

Proposal in furtherance of the Company's goals of reducing greenhouse gas emissions and achieving carbon neutrality, the Staff has long held that proposals with references touching upon topics that might raise significant social policy issues, but which do not focus on or have only tangential implications for such issues, are not transformed from an otherwise ordinary business proposal into one that transcends ordinary business.

Prior Staff letters have clearly indicated that merely mentioning an issue with a broad societal impact does not preclude the proposal's exclusion under Rule 14a-8(i)(7). Relevant prior determinations by the Staff include:

- *The Home Depot, Inc.* (avail. Mar. 21, 2024), involving exclusion of a proposal requesting a report on the benefits and drawbacks of not selling paint containing titanium dioxide sourced from the Okefenokee, despite references to environmental considerations.
- *HCA Healthcare, Inc.* (avail. Mar. 6, 2023), involving exclusion of a proposal requesting the company's hospitals to provide plant-based food options to patients at every meal, within vending machines and in the cafeteria used by outpatients, staff and visitors, despite references to public health considerations. The Staff specially noted that such proposal "relates to, and does not transcend, ordinary business matters"; see also *Elevance Health, Inc.* (avail. Mar. 6, 2023); *UnitedHealth Group Inc.* (avail. Mar. 16, 2023);
- *Dollar Tree, Inc.* (avail. May 2, 2022), involving exclusion of a proposal that made passing references to safety, workforce, participation or pandemic-related concerns, but was generally related to how the company manages, compensates, recruits and retains its employees. The Staff specially noted that such proposal "relates to, and does not transcend, ordinary business matters";
- *The TJX Companies, Inc.* (avail. Apr. 9, 2021), involving exclusion of a proposal urging the board of directors to produce a report evaluating whether the company supports systemic racism through undetected supply chain prison labor. The Staff explicitly stated that "although the [p]roposal refers to systemic racism through undetected supply chain prison labor, the [p]roposal...does not otherwise explain how [the company's] compliance program raises a significant issue for the [c]ompany" and, as a result, "the [p]roposal does not transcend the [c]ompany's ordinary business operations";
- *Amazon.com, Inc.* (avail. Apr. 1, 2020), involving exclusion of a proposal requesting the company to include on their sales website a department category concerning sustainability products particularly to address climate change. The company argued that "although the [p]roposal's references to 'climate change' and 'Global Warming' could touch upon significant policy issues in some contexts, the [p]roposal remains excludable under Rule 14a-(i)(7) because it is not focused on those issues, but instead is focused on how the [c]ompany markets products and how it communicates with its customers about those products, and therefore the [p]roposal does not transcend the day-to-day business matters of the [c]ompany";

- *Papa John's International, Inc.* (avail. Feb. 13, 2015), involving exclusion of a proposal requesting the company to include vegan options on its menu to, among other things, advance animal welfare and reduce the company's ecological footprint. The Staff specifically noted that "the proposal relates to the products offered for sale by the company and does not focus on a significant policy issue"; and
- *Dominion Resources, Inc.* (avail. Feb. 3, 2011), involving a proposal requesting the company to provide financing for installation of rooftop solar or wind power renewable generation. The Staff concurred with exclusion of the proposal because the subject matter focused on "the products and services offered for sale by the company," even though the proposal touched on environmental-related matters.

Notwithstanding the 2025 Proposal's references to the potential environmental benefits of plant-based foods, the 2025 Proposal is no different in substance from the Proponent's 2024 Proposal: it is fundamentally concerned with the selection of products the Company offers to its customers – namely, the food options available on its flights – which has been long established as an ordinary business concern for management.

Although the Staff has denied no-action relief under Rule 14a-8(i)(7) in connection with some proposals requesting a report on the feasibility or benefits of reducing greenhouse gas emissions, those proposals directly related to environmental matters, whereas the 2025 Proposal does not. For instance, in *J.B. Hunt Transport Services, Inc.* (avail. Feb. 7, 2020), the Staff denied no-action relief under Rule 14a-8(i)(7) in connection with a proposal requesting a report on the company's plans to reduce its total contribution to climate change and align its operations with the Paris Agreement. Similarly, in *Lowe's Companies, Inc.* (avail. Mar. 10, 2017), the Staff denied no-action relief under Rule 14a-8(i)(7) in connection with a proposal requesting a report assessing the climate-change benefits and feasibility of adopting targets to increase the company's renewable energy sourcing.

Unlike the two proposals noted above, the 2025 Proposal is not asking the Company to issue a report directly related to reducing emissions or otherwise improving its sustainability initiatives. Instead, the 2025 Proposal is broadly requesting that the Company prepare a report regarding the benefits that will result from ensuring that all in-flight special meals are entirely plant-based, which directly relates to and does not transcend the Company's day-to-day ordinary business operations of making decisions relating to its product offerings, including meal options available for order or purchase. As such, the 2025 Proposal is concerned solely with ordinary business considerations related to in-flight meals, rather than matters of climate change or sustainability.

Moreover, even assuming that the 2025 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 in-flight meals and food services. If dietary preferences and accommodations 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" food-related issues subject to stockholder review. As noted above, stockholders lack the requisite expertise to determine or otherwise influence the appropriate in-flight menu selection and food offerings 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 management and employees, not with its stockholders.

Conclusion

For the foregoing reasons, the Company believes that it may properly exclude the 2025 Proposal from the 2025 Proxy Materials under Rule 14a-8(i)(7) because the 2025 Proposal impermissibly relates to, and does not transcend, the Company's ordinary business matters. We respectfully request that the Staff not recommend any enforcement action if the Company excludes the 2025 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 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) 637-2113 to discuss any questions you may have regarding this matter.

Very truly yours,



Jessica L. Lennon
of LATHAM & WATKINS LLP

Enclosures

cc: Anna Herby, Physicians Committee for Responsible Medicine
Matt Dominy, American Airlines Group Inc.
Tony Richmond, Latham & Watkins LLP

Exhibit A

2025 Proposal from Physicians Committee for Responsible Medicine

RESOLVED

American Airlines Group Inc. has committed to reducing greenhouse gas emissions by 45% by 2035 and achieving carbon neutrality by 2050. Toward these ends, we urge the board to commission a report on the feasibility of, and the benefits that will result from, ensuring that all in-flight special meals are entirely plant-based.

SUPPORTING STATEMENT

The airline industry is responsible for nearly 3% of global carbon dioxide emissions. Although fuel accounts for most of the carbon production associated with flight, the environmental benefits of plant-based meals are well-established.

Researchers in a 2019 report published in *The Lancet* concluded after reviewing the effects of food production that a dietary shift toward plant foods and away from animal products is vital for promoting the health of the planet. The researchers found that food production is responsible for up to 30% of total greenhouse gas emissions, with animal products accounting for the vast majority—about three-quarters—of these effects. The report stated that projections for the future show that “vegan and vegetarian diets were associated with the greatest reductions in greenhouse-gas emissions.”

Research published in the *Proceedings of the National Academy of Sciences of the United States of America* found that an immediate shift to a plant-based diet could, by 2050, reduce greenhouse gases caused by food production by 70%. A study in the *American Journal of Clinical Nutrition* found that even modest reductions of animal product consumption could potentially provide significant environmental benefits: a vegetarian diet reduced emissions by 29%, while a semi-vegetarian diet reduced emissions by 22%, compared with nonvegetarian diets.

A report from the United Nations Environment Programme states that “animal products, both meat and dairy, in general require more resources and cause higher emissions than plant-based alternatives.” The World Health Organization says, “Studies show that cutting back on red meat production reduces the nitrous oxide released into the atmosphere by fertilizers and animal manure. Nitrous oxide is the third most important man-made greenhouse gas and the most important anthropogenic contributor to stratospheric ozone destruction. Reducing livestock herds would also reduce emissions of methane, which is the second largest contributor to global warming after carbon dioxide.”

Leading culinary and nutrition experts have developed meals that are free of all common allergens and comply with vegan, gluten-free, lactose-free, and other dietary requirements. Often marketed as “allergen free,” “allergen-friendly” or “school-safe,” these meals meet the needs of every passenger submitting special requests and, as plant-based meals, offer substantial environmental benefits.

In furtherance of American’s goals of significantly reducing greenhouse gas emissions in the coming decade and achieving carbon neutrality by 2050, we urge shareholders to support this resolution for a feasibility report on serving plant-based meals to all passengers who request special meals.

PhysiciansCommittee

for Responsible Medicine

PCRM.ORG

5100 Wisconsin Ave. NW, Suite 400 • Washington, DC 20016 • Tel: 202-686-2210 • Fax: 202-686-2216 • pcrm@pcrm.org

January 30, 2025

VIA ONLINE SHAREHOLDER PROPOSAL FORM

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Response to “American Airlines Group Inc., Stockholder Proposal of Physicians Committee for Responsible Medicine”

Dear Staff:

I write on behalf of the Physicians Committee for Responsible Medicine (“Physicians Committee”) pursuant to Rule 14a-8(k) in response to a request (“No-Action Request”) by American Airlines Group Inc. (“Company”) that the Staff of the Division of Corporation Finance concur with its view that it may exclude the Physicians Committee’s shareholder resolution and supporting statement (collectively “Proposal”) from the proxy materials to be distributed in connection with the Company’s 2025 annual meeting of shareholders. The Company seeks to exclude the Proposal pursuant to Rule 14a-8(i)(7). For the reasons set forth below, the Physicians Committee urges the Staff to deny the Company’s No-Action Request.

Pursuant to Rule 14a-8(k) and *Announcement: New Intake System for Rule 14a-8 Submissions and Related Correspondence* (Nov. 7, 2023), the Physicians Committee submits this letter electronically and concurrently submits a copy to the Company.

I. The Proposal

The Proposal’s proposed resolution states,

RESOLVED

American Airlines Group Inc. has committed to reducing greenhouse gas emissions by 45% by 2035 and achieving carbon neutrality by 2050. Toward these ends, we urge the board to commission a report on the feasibility of, and the benefits that will result from, ensuring that all in-flight special meals are entirely plant-based.

The Proposal’s supporting statement begins by noting that the “airline industry is responsible for nearly 3% of global carbon dioxide emissions.” It thereafter summarizes reports and studies, issued by leading authorities on environmental issues and public health, establishing that shifting

to a plant-based diet could significantly reduce greenhouse gases, consistent with the Company's environmental commitments.

II. Because the Proposal Focuses on a Significant Social Policy Issue, the Company May Not Exclude the Proposal Pursuant to Rule 14a-8(i)(7)

Rule 14a-8(i)(7) provides that a company may exclude a proposal “[i]f the proposal deals with a matter relating to the company’s ordinary business operations.” Only “business matters that are mundane in nature and do not involve any substantial policy or other considerations” may be omitted under this provision. 41 Fed. Reg. 52,994, 52,998 (Dec. 3, 1976).

A proposal relating to a company’s ordinary business operations is not excludable if the proposal focuses on “sufficiently significant social policy issues” that “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” Amendments to Rules on Shareholder Proposals, Exchange Act Release No. 40018 (May 21, 1998). “In determining whether the focus of these proposals is a significant social policy issue, [Staff] consider both the proposal and the supporting statement as a whole.” Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005). “In making this determination, the staff will consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.” Staff Legal Bulletin No. 14L, part B.2 (Nov. 3, 2021).

According to Release No. 40018,

The policy underlying the ordinary business exclusion rests on two central considerations. The first relates to the subject matter of the proposal. Certain tasks 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. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However, proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) 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.

The second consideration relates to the degree to which the 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. This consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.

Exchange Act Release No. 40018 (May 21, 1998) (footnotes omitted).

A. The Proposal Does Not Implicate the Ordinary Business Exception

The Proposal does not implicate Rule 14a-8(i)(7) because it does not pertain to a task that is “fundamental to management’s ability to run a company on a day-to-day basis.” The Company mischaracterizes the Proposal as seeking “to dictate which products the Company makes available,” No-Action Request at 6, and “attempting to impose upon the Company a specific decision with respect to the products and services offered,” *id.* at 7. But the plain language of the Proposal speaks for itself. The Proposal requests a “report” and nothing more. As a result, the Staff decisions regarding product and service proposals cited by the Company, *see* No-Action Request at 4–6, are inapposite.

B. The Proposal Raises a Significant Social Policy Issue That Transcends Day-To-Day Business Matters

In Staff Legal Bulletin No. 14C, the Staff considered proposals related to the environment and public health, which it had previously found to be significant policy considerations, and advised that “[t]o the extent that a proposal and supporting statement focus on the company minimizing or eliminating operations that may adversely affect the environment or the public’s health, we do not concur with the company’s view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7).” Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005). Thus, there is no question that reducing environmental harm involves a “broad societal impact.” *See* Staff Legal Bulletin No. 14L, part B.2 (Nov. 3, 2021).

The Company mischaracterizes the Proposal as “merely mentioning an issue with a broad societal impact.” No-Action Request at 8. But the supporting statement repeatedly cites the established scientific consensus underlying the Proposal.

As noted in the supporting statement, a report published in *The Lancet* concluded that a dietary shift toward plant foods and away from animal products is vital for promoting the planet’s health in part because food production is responsible for up to 30% of total greenhouse gas emissions, with animal products accounting for the vast majority of the effects.¹ Similarly, research published in the *Proceedings of the National Academy of Sciences of the United States of America* found that an immediate shift to a plant-based diet could, by 2050, reduce greenhouse gases caused by food production by 70%.²

A study in the *American Journal of Clinical Nutrition* found that even modest reductions of animal product consumption could provide significant environmental benefits: a vegetarian diet reduced emissions by 29%, while a semi-vegetarian diet reduced emissions by 22%, compared with nonvegetarian diets.³ The United Nations Environment Programme and the World Health Organization came to analogous conclusions, as noted in the supporting statement.^{4,5}

In light of the scientific consensus associating Company activities with environmental harm that the Company could consider minimizing, the Proposal “focus[es] on sufficiently significant social policy issues” and “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.” Exchange Act Release No. 40018 (May 21, 1998) (footnote omitted).

C. The Proposal Does Not Seek to Micromanage the Company

The Company incorrectly asserts that the Proposal “seeks to probe too deeply into matters of a complex nature.” No-Action Request at 7. According to the Staff, a proposal might probe too deeply into matters of a complex nature if it “involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” Exchange Act Release No. 40018 (May 21, 1998). At the same time, the Staff “recogniz[es] that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement. Instead, we will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” Staff Legal Bulletin No. 14L, part B.3 (Nov. 3, 2021).

The Proposal does not seek intricate details or to impose complex policies or any specific timeframe. Rather it asks for a feasibility report. The Company states that the commissioning of this single report “would ‘inappropriately limit discretion of the board or management’ by usurping the day-to-day decision-making process[.]” No-Action Request at 7. This overstatement cannot be taken seriously.

III. Conclusion

The Physicians Committee respectfully requests that the Staff decline to issue a no-action response and inform the Company that it may not exclude the Proposal in reliance on Rule 14a-8(i)(7). Should the Staff need any additional information in reaching a decision, please contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Kennedy". The signature is fluid and cursive, with the first name "Mark" and last name "Kennedy" clearly distinguishable.

Mark Kennedy
Senior Vice President of Legal Affairs
(202) 527-7315
mkennedy@pcrm.org

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