

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 15, 2020

AMERICAN AIRLINES GROUP INC.
AMERICAN AIRLINES, INC.
(Exact name of registrant as specified in its charter)

Delaware
Delaware
(State or other Jurisdiction
of Incorporation)

1-8400
1-2691
(Commission
File Number)

75-1825172
13-1502798
(IRS Employer
Identification No.)

1 Skyview Drive, Fort Worth, Texas
1 Skyview Drive, Fort Worth, Texas
(Address of principal executive offices)

76155
76155
(Zip Code)

Registrant's telephone number, including area code:
(817) 963-1234
(817) 963-1234

N/A
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AAL	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES.

On July 15, 2020, in order to comply with various labor regulations in certain jurisdictions, including pursuant to the Worker Adjustment and Retraining Notification Act, American Airlines, Inc. (“American”), a wholly-owned subsidiary of American Airlines Group Inc. (the “Company”), informed approximately 25,000 U.S.-based employees of American and its affiliates, either directly or through a union representative, of the possibility of a workforce reduction at their work location. These notices are part of American’s response to the impacts of the COVID-19 pandemic on American’s business. As of the date hereof and based on current facts, American expects that these actions, if any, will take effect on or after October 1, 2020, and may continue through the end of 2020.

At this time, the Company is unable to make a good faith determination of an estimate or range of estimates required by paragraphs (b), (c) and (d) of Item 2.05 of Form 8-K with respect to workforce reduction actions in the remainder of 2020. The Company will file an amendment to this report after it makes a determination of such estimate or range of estimates, if any.

ITEM 7.01. REGULATION FD DISCLOSURE.

As discussed above, on July 15, 2020, American distributed a letter to employees regarding the possibility of a workforce reduction at their work location. This internal communication is furnished herewith as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

The information in Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended (the “Securities Act”), except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Letter to Employees, dated July 15, 2020.
104.1	Cover page interactive data file (embedded within the Inline XBRL document).

Cautionary Statement Regarding Forward-Looking Statements

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act, the Exchange Act, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about the Company’s plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the Company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the Company’s Quarterly Report on Form 10-Q for the three months ended March 31, 2020 (especially in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), as updated by Exhibit 99.3 attached to the Company’s Current Report on Form 8-K filed on June 22, 2020, and other risks and uncertainties listed from time to time in the Company’s other filings with the Securities and Exchange Commission. There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. In particular, the consequences of the coronavirus

outbreak to economic conditions and the travel industry in general and the financial position and operating results of the Company in particular have been material, are changing rapidly, and cannot be predicted. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines Group Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN AIRLINES GROUP INC.

Date: July 15, 2020

By: /s/ Derek J. Kerr

Derek J. Kerr
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN AIRLINES, INC.

Date: July 15, 2020

By: /s/ Derek J. Kerr

Derek J. Kerr
Executive Vice President and
Chief Financial Officer

Special Jetwire – A Message from Doug Parker and Robert Isom

Dear fellow team members,

Today, we will begin issuing Worker Adjustment and Retraining Notification (WARN) letters to our unions and represented team members in some states. These are notices the company is required by law to provide in advance of potential layoffs or furloughs. In our case, the WARN notices are tied to the overages we may see starting Oct. 1 when our Payroll Support Program funding expires.

We hate taking this step, as we know the impact it has on our hardworking team members. From the time the CARES Act was signed in March, we had a stated goal of avoiding furloughs because we believed demand for air travel would steadily rebound by Oct. 1 as the impact of COVID-19 dissipated. That unfortunately has not been the case. Our passenger revenues in June, while we believe are better than others in the industry, were more than 80% lower than June 2019. And with infection rates increasing and several states reestablishing quarantine restrictions, demand for air travel is slowing again.

As a result, we currently anticipate having over 20,000 more team members on payroll than we will need to operate our smaller schedule this fall. For our Airports and Tech Ops teams, we are also accounting for displacements that could occur as team members shift to other locations, so those potentially impacted individuals are also included in the WARN process. Using those guidelines, we will issue WARN notices to approximately 25,000 team members. You can find workgroup details and a Q&A on Jetnet.

Please know that while we are issuing 25,000 WARN notices, we hope to reduce the actual number of furloughs significantly through enhanced leave and early-out programs for represented workgroups, which we are announcing today. These programs were created with input from our union partners and are open to frontline represented team members, excluding pilots. Pilots are in a different situation given their mandatory retirement age and required training cycles as they move across aircraft, so they have separate leave and early-out programs tailored to their circumstances.

The voluntary programs we are rolling out today for frontline represented workgroups:

- **Extended leave program**

Extended leaves of 15, 18 or 24 months that provide continued medical coverage at active rates, continued non-rev travel privileges and partial pay for certain eligible team members.

- **Early-out program**

An enhanced early-out offering for team members with at least 10 years of occupational seniority. This program includes up to \$150,000 in a Retiree Health Reimbursement Arrangement for 65-point plan retirement-eligible team members, as well as some positive space travel.

We have also introduced a new early-out program for team members who have less than 10 years of occupational seniority that will provide continuation of active medical coverage and non-rev travel privileges for a period of time.

Full details on the voluntary programs are available on Jetnet.

We know American will be smaller going forward and we must right-size all aspects of our airline to adjust to that new reality. Although this is a day none of us wanted to see, we have created new, generous programs intended to help offset as many frontline furloughs as possible. We encourage everyone to carefully consider these enhanced voluntary options.

In addition, it's worth noting that each of our unions has expressed support for legislation that would extend the Payroll Support Program funding for six months in light of the much longer impact of the pandemic than was anticipated when the CARES Act was enacted. As currently proposed, the effect of this legislation would be to delay any involuntary furloughs until March 31, 2021, at which point there would most certainly be more demand for air travel, and along with that demand, much less need for involuntary furloughs throughout the industry.

This is a union-led initiative across our industry, but American is supportive of any legislation that would protect our team's jobs during these extraordinary times. If you are interested in supporting these legislative efforts, we recommend that you work with your union leaders to ensure your voice is heard. That an extension of the Payroll Support Program is being considered illustrates the incredibly important work all of you do every day across our country and globe. Notably, each direct airline job supports 13 additional jobs that support our aviation infrastructure and industry.

In spite of today's news, American Airlines stands on its nearly 100-year history. That history is marked with world wars, global and domestic economic recessions, and many more painful hardships. This current pandemic is yet another challenge we will overcome, just as those who came before us overcame the trials and tribulations of their time so that all of us can be here today.

Each of us plays a role in American's recovery, and it's a privilege to serve alongside all of you during this time. Thank you for everything you're doing to run a great operation, take care of our customers, and lead through this challenge.

Doug and Robert

WARN notices by workgroup

<u>Workgroup</u>	<u>WARN notices</u>	<u>Percentage of workgroup</u>
Pilots	2,500	18%
Flight Attendants	9,950	37%
Maintenance & Related	3,200	22%
Fleet Service	4,500	26%
Passenger Service	2,900	30%
Reservations	1,000	23%
Dispatch	175	36%
Flight Crew Training Instructors and Simulator Pilot		
Instructors	50	15%
Flight Simulator Engineers	10	7%