
**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): April 26, 2017

**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.)

4333 Amon Carter Blvd., Fort Worth, Texas
4333 Amon Carter Blvd., 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- 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 7.01. Regulation FD Disclosure.

On April 26, 2017, American Airlines Group Inc. (the “Company”) distributed to the employees of its subsidiaries a letter from W. Douglas Parker, Chairman and Chief Executive Officer, and Robert Isom, President. The letter is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

As further described in the attached letter, the Company has offered a mid-contract hourly base pay rate adjustment for its flight attendants and pilots of an average of approximately five percent and eight percent, respectively. The Company estimates that the impact on its salary and benefits expense would be approximately \$230 million for 2017 and \$350 million for 2018 and 2019. The amendable dates for these workgroups are December 2019 (flight attendants) and January 2020 (pilots).

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 related to future salary and benefits expense, which statements 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 Annual Report on Form 10-K for the year ended December 31, 2016 under the caption “Risk Factors,” 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. 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 statements.

Limitation on Incorporation by Reference

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “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, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Letter dated April 26, 2017 from W. Douglas Parker and Robert Isom

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: April 26, 2017

By: /s/ Stephen L. Johnson

Stephen L. Johnson

Executive Vice President, Corporate Affairs

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: April 26, 2017

By: /s/ Stephen L. Johnson

Stephen L. Johnson

Executive Vice President, Corporate Affairs

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Letter dated April 26, 2017 from W. Douglas Parker and Robert Isom

Fellow Team Members:

Today we are excited to make an announcement that reinforces our commitment to building a foundation of trust at American.

When we merged, we committed that American Airlines team members would be compensated in line with their peers at other airlines. Committing to “pay in line with our peers” is difficult to define in an industry like ours with complex contracts and work rules. American generally has contractual work rules and scope clauses that require us to employ more team members than our competitors, and those add costs to the airline. But we also know that base pay rates are a very visible and meaningful indicator of relative compensation, so we set out to meet our commitment by setting American’s base pay rates at the top of the industry.

With each joint collective bargaining agreement (JCBA) reached, our team has had the highest pay rates in the industry at the time of the signing. For groups who have not reached a joint contract yet, like those represented by the TWU-IAM Association, we implemented pay increases providing the highest average hourly pay rates in the business, even though the other terms of the JCBA have not been resolved yet. These actions have increased the average pay per represented team member by more than 39% in the three years since our merger closed.

But as our industry has rapidly evolved and pay increases at other airlines have accelerated, some of our colleagues have fallen behind their peers at other airlines in base pay rates. And, unless their current contracts are modified, they’ll remain far behind for more than two years. Two groups specifically fall into this category today: Our pilots and flight attendants both ratified new five-year contracts in late 2014/early 2015, well in advance of some significant pay increases at our two largest competitors. Today our pilot hourly pay rates are approximately 8% lower than the industry’s highest rates, and our flight attendants’ hourly pay rates are approximately 4% lower. Absent any action, these gaps would remain at similar levels until those contracts become amendable in December 2019 for flight attendants and January 2020 for pilots.

This doesn’t feel right for the new American and it doesn’t feel consistent with our commitment. As one of our pilots said after a recent town hall, “We all understood that we would be leapfrogged by other carriers mid-contract, but no one expected this. It is just too much for too long.”

We agree. While the commitment was met when the contract was signed, we never anticipated this large of a gap for this long a period, and we don’t like that it exists, contract or not. Therefore we intend to work with the unions to adjust the hourly base pay rates of all American pilots and flight attendants to levels that are equal to the highest rates currently in place at either Delta or United. We cannot unilaterally implement these increases – APA and APFA must agree to any contractual changes. Because we are not requesting other contractual changes, we do not expect disagreement. If they agree, these changes could be effective as soon as the May crew bid period.

The rest of our contract team members are not affected at this time, either because your pay rates remain at or near industry-leading levels, as they were at the time your JBAs were reached, or in the case of the TWU-IAM Association, we are still negotiating a JCBA. Specifically for those negotiations, in recent weeks we’ve had productive executive sessions in Washington, D.C., with the assistance of a federal facilitator. And when those talks conclude, our contractual base pay rates will be industry-leading. Regarding our non-contract team members, we assess the market annually and attempt to ensure our compensation is always in line with our competitors, including airlines and other large companies.

But make no mistake: This is a program for everyone at American and these adjustments reflect a real philosophical change that is an important trait of the new American. As we move forward, if we see sizable discrepancies in pay rates between our team members and other major airlines and our contracts are still years away from their amendable dates, we will work to address those discrepancies.

Today's news is not about buying trust because we all know trust cannot be purchased. Today's news is about doing the right thing, and doing so not because we are contractually required to or because we are locked in a contentious contractual battle. We must continue moving past the days of discontent as we build a new American where team members trust each other and work together with our customers' care in mind.

We also know pay does not build culture – we have made great progress there but have more work ahead and we must continue to work together to improve the lives of our frontline team members. That work will continue. Today's action is an important step along that path and we are pleased to be part of an organization that has the courage to take steps like this. We thank the American Airlines Board of Directors and our investors for their long-term focus and their appreciation of the value of supporting our team.

Most importantly, thanks to each of you for all you do for American. Our customers are counting on us to validate the trust they place in us each time they step onboard one of our aircraft. Thanks to the greatest, most professional team in the business, they are always in good hands. It is an honor to work with and for each of you.

A handwritten signature in black ink, appearing to be the name "Don".A handwritten signature in black ink, appearing to be the name "Robert".