

## ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company had no unresolved Securities and Exchange Commission staff comments at December 31, 2006.

## ITEM 2. PROPERTIES

### Flight Equipment – Operating

Owned and leased aircraft operated by the Company at December 31, 2006 included:

Equipment Type	Average Seating Capacity	Owned	Capital Leased	Operating Leased	Total	Average Age (Years)
<b>American Airlines Aircraft</b>						
Airbus A300-600R	267	10	—	24	34	17
Boeing 737-800	148	67	—	10	77	7
Boeing 757-200	187	87	6	49	142	12
Boeing 767-200 Extended Range	167	3	11	1	15	20
Boeing 767-300 Extended Range	220	47	—	11	58	13
Boeing 777-200 Extended Range	246	46	—	—	46	6
McDonnell Douglas MD-80	136	138	72	115	325	17
Total		<u>398</u>	<u>89</u>	<u>210</u>	<u>697</u>	<u>14</u>

Of the operating aircraft listed above, 25 McDonnell Douglas MD-80 aircraft - - 12 owned, eight operating leased and five capital leased - - were in temporary storage as of December 31, 2006.

A very large majority of the Company's owned aircraft are encumbered by liens granted in connection with financing transactions entered into by the Company.

### Flight Equipment – Non-Operating

Owned and leased aircraft not operated by the Company at December 31, 2006 included:

Equipment Type	Owned	Capital Leased	Operating Leased	Total
<b>American Airlines Aircraft</b>				
Boeing 777-200 Extended Range	1	—	—	1
Boeing 767-200	1	—	1	2
Boeing 767-200 Extended Range	—	—	2	2
Fokker 100	—	—	4	4
McDonnell Douglas MD-80	13	6	6	25
Total	<u>15</u>	<u>6</u>	<u>13</u>	<u>34</u>

American leased its Boeing 777-200ER not operated by the Company at December 31, 2006, to The Boeing Company through January 5, 2007. Subsequent to its return to the Company on January 5, 2007, the aircraft has been returned to operation.

For information concerning the estimated useful lives and residual values for owned aircraft, lease terms for leased aircraft and amortization relating to aircraft under capital leases, see Notes 1 and 5 to the consolidated financial statements.