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Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of the Registrant.

On November 8, 2005, the New York City Industrial Development Agency (the "IDA") issued \$800 million of special facility revenue bonds on behalf of American Airlines, Inc. (the "Company"). Proceeds from the bonds generally will be used to finance or reimburse the Company for certain construction costs related to the Company's new terminal at John F. Kennedy International Airport. The Company is responsible for debt service on the bonds and will consolidate the debt in its financial statements. The bonds are guaranteed by both the Company and AMR Corporation ("AMR"), the Company's parent corporation. The Company's and AMR's obligations under these guaranties are secured by a mortgage of its interest in its lease of the terminal and related property from the Port Authority of New York and New Jersey.

The bonds were issued in different maturities and bear interest as follows:

| Amount | Maturity Date (August 1) | Interest Rate |
|---------------|-----------------------------|---------------|
| \$59,290,000 | 2011 | 7.125% |
| \$90,040,000 | 2016 | 7.500% |
| \$230,700,000 | 2025 | 7.625% |
| \$118,020,000 | 2028 | 8.000% |
| \$301,950,000 | 2031 | 7.750% |

The bonds, in aggregate, priced at approximately 97% of par value; thus, net of original issue discount, proceeds from the offering were approximately \$775 million. Of that amount, \$206 million was placed in escrow to reimburse the Company for future remaining construction costs between now and the end of 2007. An additional \$77 million was escrowed for debt service reserves, ultimately offsetting some of the Company's future debt service obligation through 2031. After these items, and issuance fees of approximately \$20 million, the Company, at closing, received approximately \$470 million as reimbursement of construction costs incurred to date.

The bonds maturing after August 1, 2016 are subject to optional redemption during specified periods. The bonds maturing prior to August 1, 2016 are not subject to optional redemption. The bonds of each maturity are subject to mandatory sinking fund redemption at specified dates. In addition, the bonds are subject to mandatory redemption if the lease under which the Company leases the terminal to the IDA is terminated (including by reason of the termination of the Company's lease of the terminal from the Port Authority of New York and New Jersey) or if interest on the bonds is determined to be taxable.

Amounts payable with respect to the bonds can be accelerated upon the occurrence of certain events of default, including

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failure to pay principal and interest when due and the occurrence of certain bankruptcy events with respect to the Company or AMR.

SIGNATURE

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

American Airlines, Inc.

/s/ Charles D. MarLett
Charles D. MarLett
Corporate Secretary

Dated: November 10, 2005