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AMR Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And your first question today will come from the line of Jamie Baker with JPMorgan, and your line is open.

Jamie Baker - JPMorgan

Good afternoon. A question for Gerard or Tom. You moved last year to strengthen and enhance the value of the Infinity agreement with Citi. But you didn't do a forward mileage sales I recall, which is something that at least we've been assuming you may still have in your back pocket should you seek additional liquidity.

First question is, if there is any allowance for this in the \$3.5 billion unencumbered asset level that you identify? Second, do you care to share any thoughts or comments given the situation at Citi and whether a mileage sale is still something that externally we should be considering?

Gerard Arpey

Yes, Jamie, it's a very good question. You are correct. We have not capped a forward mileage sale as many of our competitors have. So, we do contribute do that a potential source of liquidity moving forward and it is reflected in the \$3.5 billion, I mentioned earlier.

Jamie Baker - JPMorgan

Okay. That's helpful. That'll be good.

Gerard Arpey

Thank you, Jamie.

Operator

Thank you. Our next question in the queue that will come from the line of Gary Chase with Barclays Capital and your line is open.

Gary Chase - Barclays Capital

Good afternoon.

Gerard Arpey

Hi, Gary.

Gary Chase - Barclays Capital

Two questions for you. First on the dependability initiatives that you described, sounds like the pension headwind year-on-year is about \$400 million; do you have a dollar amount in the caseum that comes from trying to run a better operation the way you described in the release?

Gerard Arpey

Gary, I think you're pretty accurate on the pension number, its north of \$400 million and dependability, initiatives plus or minus about a \$100 million.

Gary Chase - Barclays Capital

And then when you give the book load factors, its been a little confusing over the last couple of years because it feels like those have been all over the place to a much a greater extent in the revenue trend. Can you help us think about what it might mean to be running at down eight book load factor internationally and down two domestic? Maybe could you give us some perspective on where we started the fourth quarter with an overall load factor that was only down two?

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