

DOBBS KELLEY J  
Form 4  
February 08, 2011

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DOBBS KELLEY J

(Last) (First) (Middle)  
ALASKA AIRLINES, INC., 19300  
INTERNATIONAL BLVD  
(Street)

SEATTLE, WA 98188

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ALASKA AIR GROUP INC [ALK]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/04/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP/HR & LABOR RELATIONS

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
COMMON STOCK	02/04/2011		M		568 A \$ 42.85	3,830	D
COMMON STOCK	02/04/2011		M		3,683 A \$ 27.56	7,513	D
COMMON STOCK	02/04/2011		S		4,251 D \$ 60.2	3,262	D
COMMON STOCK	02/07/2011		A <sup>(1)</sup>		1,098 A \$ 0	6,191	D
COMMON STOCK <sup>(2)</sup>	02/07/2011		A <sup>(3)</sup>		1,360 A \$ 0	13,089	D

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COMMON STOCK <u>(2)</u>	02/08/2011		F <sup>(4)</sup>	659	D	\$ 61.94	12,430	D	
COMMON STOCK <u>(5)</u>							1,126	I	ESOP TRUST

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)		
						Date Exercisable	Expiration Date	Title	
						Code	V	(A)	(D)
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 42.85	02/04/2011		M	568	01/31/2011	01/31/2017	COMMON	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 27.56	02/04/2011		M	3,683	01/29/2011	01/29/2019	COMMON	
EMPLOYEE STOCK OPTION	\$ 61.3	02/07/2011		A	2,610	02/07/2012 <sup>(6)</sup>	02/07/2021	COMMON	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DOBBS KELLEY J ALASKA AIRLINES, INC. 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			VP/HR & LABOR RELATIONS	

## Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR KELLEY J.  
DOBBS

02/08/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- SHARES ISSUED UPON VESTING OF PERFORMANCE STOCK UNITS GRANTED FEBRUARY 8, 2008 UNDER THE ISSUER'S
- (1) 2004 LONG-TERM INCENTIVE EQUITY PLAN. VESTING OF THE UNITS WAS DETERMINED BASED ON THE ISSUER'S AVERAGE ADJUSTED PRE-TAX PROFIT MARGIN OVER A THREE-YEAR PERFORMANCE PERIOD.
  - (2) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
  - (3) STOCK UNITS GRANTED UNDER 2008 PERFORMANCE INCENTIVE EQUITY PLAN ON FEBRUARY 7, 2011. UNITS WILL "CLIFF" VEST THREE YEARS FROM DATE OF GRANT; ON OR ABOUT FEBRUARY 7, 2014. SUBJECT TO FORFEITURE.
  - (4) SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES UPON VESTING AND ISSUE OF NET SHARES IN CONNECTION WITH STOCK UNITS.
  - (5) SHARES HELD IN AN ALASKA AIR GROUP, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF DECEMBER 31, 2010.
  - (6) THE OPTIONS GRANTED WILL VEST IN FOUR EQUAL INSTALLMENTS OVER FOUR YEARS BEGINNING ON THE FIRST ANNIVERSARY OF THE GRANT DATE.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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