

SCHAEFER JOHN F JR  
 Form 4  
 February 09, 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 \*  
 SCHAEFER JOHN F JR

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

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 C/O ALASKA AIR GROUP  
 INC, 19300 INTERNATIONAL  
 BLVD  
 (Street)  
 SEATTLE, WA 98188  
 (City) (State) (Zip)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/08/2011

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP/FINANCE AND TREASURER

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

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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
COMMON STOCK	02/08/2011		M	A	\$ 42.85	3,892	D
COMMON STOCK	02/08/2011		M	A	\$ 27.49	5,152	D
COMMON STOCK	02/08/2011		M	A	\$ 33.26	5,742	D
COMMON STOCK	02/08/2011		S	D	\$ 61.8814	3,377	D
COMMON STOCK <sup>(1)</sup>						10,500	D

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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 Amount of Underlying Security (Instr. 3 and 4)
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 42.85	02/08/2011		M	515	01/31/2011 01/31/2017	COMMON
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 27.49	02/08/2011		M	1,260	02/08/2011 <sup>(2)</sup> 02/08/2018	COMMON
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 33.26	02/08/2011		M	590	02/03/2011 <sup>(3)</sup> 02/03/2020	COMMON

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHAEFER JOHN F JR C/O ALASKA AIR GROUP INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			VP/FINANCE AND TREASURER	

## Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR JOHN F. SCHAEFER, JR.

02/09/2011

\_\_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).
- (1) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
- (2) OPTIONS VESTED IN FOUR EQUAL ANNUAL INSTALLMENTS ON 02/08/09, 02/08/10 AND 02/08/11; REMAINING OPTIONS VEST ON 02/08/12.
- (3) OPTIONS VEST IN FOUR EQUAL ANNUAL INSTALLMENTS; REMAINING OPTIONS VEST ON 02/03/12, 02/03/13 AND 02/03/14.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.