

ALASKA AIR GROUP, INC.
 Form 4
 February 11, 2016

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 *
PEDERSEN BRANDON

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)
19300 INTERNATIONAL BLVD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/09/2016

____ Director
 ____ Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
EXEC VP/FINANCE & CFO

SEATTLE, WA 98188

(City) (State) (Zip)

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 Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
RESTRICTED STOCK UNIT	02/09/2016		A	3,050 (2) \$ 0	19,860	D	
COMMON STOCK	02/09/2016		A ⁽³⁾	9,750 \$ 0	28,874	D	
COMMON STOCK	02/09/2016		F ⁽⁴⁾	3,240 \$ 65.63	25,634	D	

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

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number.

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 (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)	\$ 65.63	02/09/2016		A	7,310	02/09/2017 ⁽¹⁾ 02/09/2026	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEDERSEN BRANDON 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			EXEC VP/FINANCE & CFO	

Signatures

/S/ JEANNE E. GAMMON, ATTORNEY IN FACT FOR BRANDON S. PEDERSEN

02/11/2016

__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).

- OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/09/2017, 02/09/2018, 02/09/2019 AND 02/09/2020).
- STOCK UNITS AWARDED UNDER THE ALASKA AIR GROUP, INC. 2008 PERFORMANCE INCENTIVE PLAN ON 02/09/2016 WILL CLIFF VEST ON 02/09/2019. UNITS ARE SUBJECT TO FORFEITURE.

ALK COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A THREE-YEAR PERIOD ENDING 12/31/2015, IN ACCORDANCE WITH THE TERMS OF PERFORMANCE STOCK UNITS GRANTED ON 02/11/2013 UNDR THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE ON 02/09/2016.
- COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF PERFORMANCE STOCK UNITS ON 02/09/2016. AMOUNT PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.

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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