

SCHAEFER JOHN F JR  
 Form 4  
 February 01, 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

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 01/28/2011

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 VP/FINANCE AND TREASURER

(Street)  
 SEATTLE, WA 98188

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 Ownership (Instr. 4)
				(A) or (D) Price			
COMMON STOCK <sup>(1)</sup>					865	I	ESOP TRUST
COMMON STOCK	01/28/2011		J <sup>(2)</sup>	865 D \$ 59.7257	0	I	ESOP TRUST
COMMON STOCK	02/01/2011		M	1,545 A \$ 42.85	3,191	D	
COMMON STOCK	02/01/2011		M	525 A \$ 37.96	3,716	D	
COMMON STOCK	02/01/2011		M	1,690 A \$ 27.56	5,406	D	

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COMMON STOCK	02/01/2011	S	3,760	D	\$ 61.4753	1,646	D
COMMON STOCK <sup>(3)</sup>						10,980	D

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)	Am or Num of Sha
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 42.85	02/01/2011		M	1,545	01/31/2010 01/31/2017	COMMON	1,
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 37.96	02/01/2011		M	525	09/13/2010 09/13/2016	COMMON	5
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 27.56	02/01/2011		M	1,690	01/29/2011 01/29/2019	COMMON	1,

## 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			VP/FINANCE AND TREASURER	

SEATTLE, WA 98188

## Signatures

SHANNON K. ALBERTS, ATTORNEY IN FACT FOR JOHN F.  
SCHAEFER, JR.

02/01/2011

\_\_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) SHARES HELD IN AN ALASKA AIR GROUP, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF JANUARY 27, 2011.
- (2) DISPOSITION OF ALK COMMON STOCK HELD IN 401(K) ESOP TRUST AND REALLOCATION OF FUNDS WITHIN THE ACCOUNT.
- (3) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.

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.