

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>SARETSKY GREGG A</u> (Last) (First) (Middle) <u>ALASKA AIRLINES INC</u> <u>19300 INTERNATIONAL BLVD</u> (Street) <u>SEATTLE WA 98188</u> (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>ALASKA AIR GROUP INC [ALK]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>01/31/2007</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EXEC VP/MARKETING & PLANNING</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
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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	(A) or (D)	Price			
COMMON STOCK ⁽¹⁾	01/31/2007		A		2,700	A	\$0	19,140	D	
COMMON STOCK ⁽²⁾								571	I	ESOP TRUST
COMMON STOCK ⁽⁴⁾	01/31/2007		A		4,085	A	\$42.85	4,085	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	\$42.85	01/31/2007		A ⁽³⁾		12,300	01/31/2008	01/31/2017	COMMON	12,300	\$0	12,300	D	

Explanation of Responses:

- RESTRICTED STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN; SUBJECT TO FORFEITURE.
- SHARES HELD IN EMPLOYEE STOCK OWNERSHIP PLAN AS OF DECEMBER 31, 2006.
- GRANT OF STOCK OPTIONS UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN. THIS GRANT WILL VEST 25% EACH YEAR FOR FOUR YEARS BEGINNING ON JANUARY 31, 2007.
- COMMON SHARES ISSUED UNDER THE 2004 LONG-TERM INCENTIVE PLAN IN LIEU OF CASH AWARD FOR 2006 UNDER THE AIR GROUP PERFORMANCE-BASED PAY PLAN.

SHANNON K. ALBERTS FOR
GREGG A. SARETSKY 02/02/2007
ATTORNEY-IN-FACT

** Signature of Reporting Person Date

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

* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.