

**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

<b>1. Name and Address of Reporting Person*</b> <u>PEDERSEN BRANDON</u>  (Last) (First) (Middle) <u>ALASKA AIRLINES INC</u> <u>19300 INTERNATIONAL BLVD</u>  (Street) <u>SEATTLE WA 98188</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>ALASKA AIR GROUP INC [ ALK ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP FIN AND CFO</u>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>02/07/2011</u>	
	<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>	
<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> 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	(A) or (D)	Price			
COMMON STOCK	02/07/2011		A <sup>(1)</sup>		833	A	\$0	4,515	D	
COMMON STOCK <sup>(2)</sup>	02/07/2011		A <sup>(3)</sup>		1,440	A	\$0	15,315	D	
COMMON STOCK <sup>(2)</sup>	02/08/2011		F <sup>(4)</sup>		532	D	\$61.94	13,305	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	(A)	(D)	Date Exercisable	Expiration Date					
EMPLOYEE STOCK OPTION (RT TO BUY)	\$61.3	02/07/2011		A		2,760		02/07/2012 <sup>(5)</sup>	02/07/2021	COMMON 2,760	\$0	2,760	D	

**Explanation of Responses:**

- SHARES ISSUED UPON VESTING OF PERFORMANCE STOCK UNITS GRANTED FEBRUARY 8, 2008 UNDER THE ISSUER'S 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.
- STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
- 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.
- SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES UPON VESTING OF STOCK UNITS AND ISSUANCE OF NET SHARES.
- OPTIONS WILL VEST IN EQUAL INSTALLMENTS OVER FOUR YEARS BEGINNING ON THE FIRST ANNIVERSARY OF THE GRANT DATE.

JEANNE E. GAMMON,  
ATTORNEY IN FACT FOR  
BRANDON S. PEDERSEN      02/08/2011

\*\* 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.