
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

September 14, 2007
(Date of earliest event reported)

ALASKA AIR GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-8957
(Commission File Number)

91-1292054
(IRS Employer Identification No.)

19300 International Boulevard, Seattle, Washington
(Address of Principal Executive Offices)

98188
(Zip Code)

(206) 392-5040
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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References in this report on Form 8-K to “Air Group,” “Company,” “we,” “us,” and “our” refer to Alaska Air Group, Inc. and its subsidiaries, unless otherwise specified. Alaska Airlines, Inc. and Horizon Air Industries, Inc. are referred to as “Alaska” and “Horizon,” respectively, and together as our “airlines.”

FORWARD-LOOKING INFORMATION

This report contains forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events and involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different from those indicated by any forward-looking statements. Some of the things that could cause our actual results to differ from our expectations are:

- the competitive environment and other trends in our industry;
- changes in our operating costs, including fuel, which can be volatile;
- labor disputes and our ability to attract and retain qualified personnel;
- the amounts of potential lease termination payments with lessors for our remaining MD-80 leased aircraft and related sublease payments from sublessees, if applicable;
- our significant indebtedness;
- compliance with our financial covenants;
- potential downgrades of our credit ratings and the availability of financing;
- the implementation of our growth strategy;
- our ability to meet our cost reduction goals;
- operational disruptions;
- general economic conditions, as well as economic conditions in the geographic regions we serve;
- the concentration of our revenue from a few key markets;
- actual or threatened terrorist attacks; global instability and potential U.S. military actions or activities;
- insurance costs;
- changes in laws and regulations;
- increases in government fees and taxes;
- our inability to achieve or maintain profitability;
- fluctuations in our quarterly results;
- an aircraft accident or incident;
- liability and other claims asserted against us;
- our reliance on automated systems and the risks associated with changes made to those systems; and
- our reliance on third-party vendors and partners.

For a discussion of these and other risk factors, see Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed therein. These risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or events described in any forward-looking statements. We expressly disclaim any obligation to publicly update or revise any forward-looking statements after the date of this report to conform them to actual results. Over time, our actual results, performance or achievements will likely differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements, and such differences might be significant and materially adverse.

Item 8.01 Other Events

On September 14, 2007, Horizon Air issued a press release providing updated information on the progress of the landing gear inspections of its Bombardier Q400 turboprops and related flight cancellations. As reported previously, the unplanned inspections are in response to a Transport Canada airworthiness directive (AD) issued earlier this week.

ITEM 9.01.**Financial Statements and Exhibits**

(d) Exhibits.

Exhibit 99.1 Press Release dated September 14, 2007

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: September 14, 2007

/s/ Brandon S. Pedersen

Brandon S. Pedersen

Vice President/Finance and Controller

/s/ Bradley D. Tilden

Bradley D. Tilden

Executive Vice President/Finance and Planning
and Chief Financial Officer



Contact: Horizon Air, Dan Russo, 206/431-4513
Bombardier Aerospace, Bert Cruickshank, + 1 416 375 3030

FOR IMMEDIATE RELEASE

Sept. 14, 2007

**Horizon Air Developing Modified Schedule, Effective Tuesday,
To Accommodate Currently Booked Customers**

SEATTLE — Nearly half of the Bombardier Aerospace Q400 turboprops in Horizon Air's fleet — 16 of 33 aircraft — have been inspected, as per Transport Canada and Bombardier specifications, and returned to service. The airline anticipates it will be able to inspect and return to service additional aircraft at the rate of two a day through Monday.

On Friday, Sept. 14, Horizon canceled 89 flights, a 42 percent improvement from the previous day. While flights will continue to be reinstated as inspections are completed, some cancellations are also expected over the weekend. Schedule adjustments will be in central reservations systems as follows, all Pacific time: Saturday flights (by 3 p.m. Friday), Sunday flights (by 6 p.m. Friday), and Monday flights (by 6 p.m. Saturday).

On Tuesday, as inspections proceed on the remaining Q400s in its fleet, Horizon intends to introduce a modified firm schedule that will provide service to all of its markets and accommodate most all of its currently booked customers. The new schedule will be in central reservations systems by 12 p.m. (Pacific time) Sunday and will be in effect at least through Monday, Sept. 24. By late next week, Horizon will determine whether it can return to its regular schedule on Tuesday, Sept. 25.

Horizon is asking its customers flying during this period to check on the status of their flights via horizonair.com or by calling the reservations center at 800-547-9308. Customers on affected Horizon flights are being offered refunds, being allowed to cancel at no charge, or are being re-accommodated without any change fee.

The aircraft inspections are in response to a Transport Canada airworthiness directive (AD) issued Wednesday afternoon. Transport Canada's AD was produced in the wake of two landing gear failure incidents involving SAS-affiliated airlines in Europe. Horizon, which has operated the Canadian-manufactured Q400 since 2001, has never experienced any issues like those SAS recently encountered.

Late Thursday, revised inspection guidance was received and acted upon. As the situation develops, Horizon will comply with any additional guidance from the manufacturer and regulatory authorities, which could result in additional schedule adjustments.

"With safety as our foremost consideration, we're working diligently to respond to directives from the manufacturers and regulatory authorities as we receive them," said Jeff Pinneo, president and CEO. "We remain focused on minimizing any inconvenience to our customers as we progress toward the restoration of our full flight schedule."

Horizon currently has a fleet of 74 aircraft, 33 of which are 74/76 seat Q400s. Horizon operates two other aircraft types in its all-Bombardier fleet, neither of which is subject to these inspections: 70-seat CRJ-700 regional jets and 37-seat Q200 turboprops

Horizon serves 48 cities throughout California, Colorado, Oregon, Washington, Idaho, Montana, Nevada, and British Columbia and Alberta. Together, Horizon Air and Alaska Airlines serve 92 cities and are subsidiaries of Alaska Air Group, Inc. (NYSE:ALK).

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