

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

OMB Number: 3235-0287  
 Estimated average burden  
 hours per response: 0.5

☐ 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*			2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
TILDEN BRADLEY D			ALASKA AIR GROUP, INC. [ ALK ]		Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) CHAIRMAN, PRESIDENT AND CEO	
(Last) (First) (Middle)			3. Date of Earliest Transaction (Month/Day/Year)			
19300 INTERNATIONAL BLVD			01/05/2017			
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line)	
SEATTLE WA 98188					<input checked="" type="checkbox"/> Form filed by One Reporting Person	
(City) (State) (Zip)					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 401(K) <sup>(1)</sup>								15,473	I	ESOP TRUST
RESTRICTED STOCK UNIT <sup>(2)</sup>								23,900	D	
COMMON STOCK								18,405	I	GRAT
COMMON STOCK	01/05/2017		M <sup>(3)</sup>		3,600	A	\$8.315	127,298	D	
COMMON STOCK	01/05/2017		s <sup>(3)</sup>		3,200 <sup>(4)</sup>	D	\$87.7464	124,098	D	
COMMON STOCK	01/05/2017		s <sup>(3)</sup>		400 <sup>(5)</sup>	D	\$88.9575	123,698	D	
COMMON STOCK	01/05/2017		s <sup>(6)</sup>		1,800 <sup>(7)</sup>	D	\$87.83	121,898	D	
COMMON STOCK	01/05/2017		s <sup>(6)</sup>		200 <sup>(8)</sup>	D	\$89.1425	121,698	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 (RT TO BUY)	\$8.315	01/05/2017		M <sup>(3)</sup>		3,600	02/03/2011	02/03/2020	COMMON STOCK	3,600	\$0	22,000	D	

**Explanation of Responses:**

- COMMON SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST, AS OF 12/31/15.
- STOCK UNITS AWARDED UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; SUBJECT TO FORFEITURE.
- SAME-DAY EXERCISE OF OPTIONS AND SALE EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. TILDEN ON 9/6/2016.
- THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$87.56 TO \$88.22, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.
- THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$88.95 TO \$88.97, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.

6. SALE OF ALK COMMON SHARES EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. TILDEN ON 9/6/2016.

7. THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$87.575 TO \$88.55, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.

8. THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$89.115 TO \$89.17, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.

/S/ JEANNE E. GAMMON,  
ATTORNEY IN FACT FOR 01/06/2017  
BRADLEY D. TILDEN

\*\* 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.**