

**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><br><u>SPRAGUE JOSEPH A</u><br><br>(Last) (First) (Middle)<br><u>19300 INTERNATIONAL BLVD</u><br><br>(Street)<br><u>SEATTLE WA 98188</u><br><br>(City) (State) (Zip) | <b>2. Issuer Name and Ticker or Trading Symbol</b><br><u>ALASKA AIR GROUP, INC. [ ALK ]</u><br><br><b>3. Date of Earliest Transaction (Month/Day/Year)</b><br><u>02/20/2016</u><br><br><b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b> | <b>5. Relationship of Reporting Person(s) to Issuer</b><br>(Check all applicable)<br>Director 10% Owner<br>X Officer (give title below) Other (specify below)<br><u>SR VP/COMM &amp; EXT RELATIONS</u><br><br><b>6. Individual or Joint/Group Filing (Check Applicable Line)</b><br>X Form filed by One Reporting Person<br>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>   |                                      |  |                                |   |   |            |         | 7,049   | I  | ESOP TRUST  |
| RESTRICTED STOCK UNIT <sup>(2)</sup> |                                      |  |                                |   |   |            |         | 6,620   | D  |   |
| COMMON STOCK                         | 02/20/2016                           |  | J <sup>(3)</sup>               |   | 24,732  | A          | \$0     | 40,376  | D  |   |
| COMMON STOCK                         | 02/20/2016                           |  | F <sup>(4)</sup>               |   | 10,251  | D          | \$72.34 | 30,125  | 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) |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|--|--|---|--|
|  |  |                                      |  |                                |  | Date Exercisable   | Expiration Date |   |  |  |   |  |
|  |  |                                      |  | Code                           | V  | (A)  | (D)             | Title   | Amount or Number of Shares                 |  |   |  |

**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 ALASKA AIR GROUP'S 2008 PERFORMANCE INCENTIVE PLAN; SUBJECT TO FORFEITURE.
- ALK COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A THREE-YEAR PERIOD ENDING 12/31/2015, IN ACCORDANCE WITH THE TERMS OF PERFORMANCE STOCK UNITS GRANTED ON 02/11/2013 UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE ON 02/20/2016.
- COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF PERFORMANCE STOCK UNITS ON 02/20/2016. AMOUNT PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.

/S/ JEANNE E GAMMON,  
ATTORNEY-IN-FACT FOR 02/22/2016  
JOSEPH A. SPRAGUE

\*\* 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.