

**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

<b>1. Name and Address of Reporting Person*</b> <u>HARRISON ANDREW R</u>  (Last) (First) (Middle) <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>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>02/10/2017</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) <b>EVP &amp; CRO</b>
			<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	02/10/2017		M		1,827	A	\$65.63	16,555	D	
COMMON STOCK	02/10/2017		M		180	A	\$38.755	16,735	D	
COMMON STOCK	02/10/2017		S		5,007	D	\$98.37	11,728	D	
COMMON STOCK	02/11/2017		A <sup>(3)</sup>		1,760	A	\$0	13,488	D	
RESTRICTED STOCK UNIT	02/11/2017		J <sup>(4)</sup>		1,780	D	\$0	7,440	D	
COMMON STOCK	02/11/2017		F <sup>(5)</sup>		487 <sup>(6)</sup>	D	\$97.35	13,001	D	
COMMON STOCK	02/13/2017		M		1,396	A	\$24.4	14,397	D	
COMMON STOCK	02/13/2017		M		840	A	\$38.755	15,237	D	
COMMON STOCK	02/13/2017		M		1,573	A	\$65.37	16,810	D	
COMMON STOCK	02/13/2017		S		1,573	D	\$97.5984	15,237	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)	\$65.63	02/10/2017		M		1,827	02/09/2017 <sup>(1)</sup>	02/09/2026	COMMON STOCK	1,827	\$0	5,483	D	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$38.755	02/10/2017		M		180	02/11/2015 <sup>(2)</sup>	02/11/2024	COMMON STOCK	180	\$0	1,680	D	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$24.4	02/13/2017		M		1,396	02/11/2014	02/11/2023	COMMON STOCK	1,396	\$0	0	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	Title	Amount or Number of Shares						
EMPLOYEE STOCK OPTION (RT TO BUY)	\$38.755	02/13/2017		M			840	02/11/2015 <sup>(2)</sup>	02/11/2024	COMMON STOCK	840	\$0	840	D			
EMPLOYEE STOCK OPTION (RT TO BUY)	\$65.37	02/13/2017		M			1,573	02/10/2016 <sup>(7)</sup>	02/10/2025	COMMON STOCK	1,573	\$0	3,145	D			

**Explanation of Responses:**

1. OPTIONS REMAINING WILL VEST AS FOLLOWS: 1,828 ON 2/9/2018; 1,827 ON 2/9/2019; AND 1,828 ON 2/9/2020.
2. THE 840 OPTIONS REMAINING WILL VEST ON 2/11/2018.
3. COMMON SHARES ACQUIRED UPON VESTING OF RESTRICTED STOCK UNITS AWARDED UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN.
4. FULLY VESTED RESTRICTED STOCK UNITS ISSUED IN ALASKA AIR GROUP COMMON STOCK.
5. COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF RESTRICTED STOCK UNITS.
6. PRICE PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.
7. OPTIONS REMAINING WILL VEST AS FOLLOWS: 1,572 ON 2/10/2018 AND 1,573 ON 2/10/2019.

/S/ JEANNE E GAMMON,  
ATTORNEY IN FACT FOR      02/14/2017  
ANDREW R. HARRISON

\*\* 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.**