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| 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

| | | |
|--|---|---|
| 1. Name and Address of Reporting Person* <u>TACKETT SHANE R</u> (Last) (First) (Middle) <u>19300 INTERNATIONAL BLVD</u> (Street) <u>SEATTLE WA 98188</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>ALASKA AIR GROUP, INC. [ALK]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP STRATEGY/PLNG</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>08/31/2018</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

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) ⁽¹⁾ | | | | | | | | 2,807 | I | ESOP TRUST |
| COMMON STOCK | 08/31/2018 | | A ⁽²⁾ | V | 68 | A | \$54.9525 | 8,238 | D | |
| COMMON STOCK | 09/07/2018 | | S | | 3,000 ⁽³⁾ | D | \$66.8138 | 5,238 | 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 | | | | |
| RESTRICTED STOCK UNITS | \$0 | 09/10/2018 | | A | | 1,020 | | 09/10/2021 ⁽⁴⁾ | 09/10/2028 | COMMON STOCK | 1,020 | \$0 | 1,020 | D | |
| EMPLOYEE STOCK OPTION (RT TO BUY) | \$68.15 | 09/10/2018 | | A | | 3,770 | | 09/10/2019 ⁽⁵⁾ | 09/10/2028 | COMMON STOCK | 3,770 | \$0 | 3,770 | D | |

Explanation of Responses:

- COMMON SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF 12/31/2017.
- THESE SHARES WERE ACQUIRED UNDER THE ALASKA AIR GROUP, INC. EMPLOYEE STOCK PURCHASE PLAN IN TRANSACTIONS THAT WERE EXEMPT UNDER BOTH RULE 16b-3(d) and RULE 16b-3(c).
- THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$66.8250 TO \$66.8138, 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.
- RESTRICTED STOCK UNITS CLIFF VEST 3 YEARS FROM GRANT AND CONVERT INTO COMMON STOCK ON A ONE-FOR-ONE-BASIS.
- OPTIONS WILL VEST IN 25% INCREMENTS OVER FOUR YEARS AS FOLLOWS: 942 ON 9/10/2019; 943 ON 9/10/2020; 942 ON 9/10/2021; AND 943 ON 9/10/2022.

/S/ JEANNE E GAMMON,
ATTORNEY IN FACT FOR 09/11/2018
SHANE R. TACKETT

** 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.