

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

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)	
YOUNG TAMARA S			ALASKA AIR GROUP, INC. [ALK]		Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) VP/HUMAN RESOURCES	
(Last) (First) (Middle)			3. Date of Earliest Transaction (Month/Day/Year)			
19300 INTERNATIONAL BLVD			12/07/2016			
(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 <input type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)						

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			
RESTRICTED STOCK UNIT ⁽¹⁾								3,490	D	
COMMON STOCK	12/07/2016		M		1,990	A	\$17.21	29,489	D	
COMMON STOCK	12/07/2016		M		1,590	A	\$38.75	31,079	D	
COMMON STOCK	12/07/2016		M		597	A	\$65.37	31,676	D	
COMMON STOCK	12/07/2016		S		12,319 ⁽⁴⁾	D	\$86.2019	19,357	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					
EMPLOYEE STOCK OPTION (RT TO BUY)	\$17.21	12/07/2016		M		1,990	09/17/2013	09/17/2022	COMMON STOCK 1,990	\$0	0	D	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$38.755	12/07/2016		M		1,590	02/11/2015 ⁽²⁾	02/11/2024	COMMON STOCK 1,590	\$0	1,590	D	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$65.37	12/07/2016		M		597	02/10/2016 ⁽³⁾	02/10/2025	COMMON STOCK 597	\$0	1,793	D	

Explanation of Responses:

1. STOCK UNITS AWARDED UNDER ALASKA AIR GROUP'S 2008 PERFORMANCE INCENTIVE PLAN; SUBJECT TO FORFEITURE.

2. OPTIONS REMAINING VEST AS FOLLOWS: 794 ON 2/11/2017 AND 796 ON 2/11/2018.

3. OPTIONS REMAINING VEST AS FOLLOWS: 598 ON 2/10/2017; 597 ON 2/10/2018 AND 598 ON 2/10/2019.

4. THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$86.1720 TO \$86.3645, 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
TAMARA S YOUNG

12/09/2016

** 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.