

**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* <u>SARETSKY GREGG A</u>  (Last) (First) (Middle) <u>ALASKA AIRLINES INC</u> <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>  3. Date of Earliest Transaction (Month/Day/Year) <u>10/26/2006</u>  4. If Amendment, Date of Original Filed (Month/Day/Year) <u>10/30/2006</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>EXEC VP/MARKETING &amp; PLANNING</u>  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
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**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	10/26/2006		M <sup>(1)</sup>		10,000	A	\$25.2	10,000	D	
COMMON STOCK	10/26/2006		S		10,000	D	\$40.2	0	D	
COMMON STOCK <sup>(2)</sup>								16,440	D	
COMMON STOCK <sup>(3)</sup>								394	I	ESOP TRUST

**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				
COMMON STOCK	\$25.2	10/26/2006		M			10,000	11/12/2002	11/12/2011	COMMON STOCK	10,000	\$0	10,800	D	

**Explanation of Responses:**

1. SAME-DAY SALE AND EXERCISE OF OPTIONS COVERED BY S-8 REGISTRATION STATEMENT.  
 2. RESTRICTED STOCK UNITS HELD UNDER 2004 LONG-TERM INCENTIVE PLAN; SUBJECT TO FORFEITURE.  
 3. NUMBER OF SHARES HELD UNDER EMPLOYEE STOCK OWNERSHIP PLAN AS OF APRIL 25, 2006.

**Remarks:**

FORM AMENDED TO CORRECT TRANSACTION DATE IN TABLE II.

SHANNON K. ALBERTS FOR  
GREGG A. SARETSKY, 10/31/2006  
ATTORNEY-IN-FACT

\*\* 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.