

☐ 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

| OMB APPROVAL | |
|--|-----------|
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|---|---|--|
| 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> 3. Date of Earliest Transaction (Month/Day/Year) <u>02/28/2018</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) | 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>SR VP REV/E-COMMERCE</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 | | | |
| <u>COMMON STOCK 401(K)⁽¹⁾</u> | | | | | | | | <u>2,807</u> | <u>I</u> | <u>ESOP TRUST</u> |
| <u>COMMON STOCK</u> | <u>02/28/2018</u> | | <u>A⁽²⁾</u> | <u>V</u> | <u>61</u> | <u>A</u> | <u>\$54.825</u> | <u>7,750</u> | <u>D</u> | |
| <u>COMMON STOCK</u> | <u>03/07/2018</u> | | <u>M⁽³⁾</u> | | <u>556</u> | <u>A</u> | <u>\$0</u> | <u>8,306</u> | <u>D</u> | |
| <u>COMMON STOCK</u> | <u>03/07/2018</u> | | <u>F</u> | | <u>136⁽⁵⁾</u> | <u>D</u> | <u>\$64</u> | <u>8,170</u> | <u>D</u> | |

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 | | | | |
| <u>RESTRICTED STOCK UNITS</u> | <u>\$0</u> | <u>03/07/2018</u> | | <u>M</u> | | <u>556</u> | <u>03/07/2018⁽⁴⁾</u> | <u>03/07/2027</u> | <u>COMMON STOCK</u> | <u>556</u> | <u>\$0</u> | <u>1,114</u> | <u>D</u> | |

Explanation of Responses:

1. COMMON SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF 12/31/2017.
2. 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).
3. RESTRICTED STOCK UNITS CONVERT TO COMMON STOCK ON A ONE-FOR-ONE BASIS.
4. REMAINING RESTRICTED STOCK UNITS SCHEDULED TO VEST AS FOLLOWS: 557 ON 3/7/2019 AND 557 ON 3/7/2020.
5. PRICE PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF ALK SHARES ON THE DATE SHARES WERE FORFEITED FOR TAXES.

/S/ JEANNE E GAMMON,
ATTORNEY IN FACT FOR 03/08/2018
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.