

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)	
PINNEO JEFFREY D			ALASKA AIR GROUP INC [ALK]		Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) PRESIDENT & CEO, HORIZON AIR	
(Last) (First) (Middle)			3. Date of Earliest Transaction (Month/Day/Year)			
HORIZON AIR INDUSTRIES INC			11/15/2006			
19521 INTERNATIONAL BLVD						
(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 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			
COMMON STOCK	11/15/2006		M ⁽¹⁾		1,800	A	\$35.25	1,800	D	
COMMON STOCK	11/15/2006		M ⁽¹⁾		3,000	A	\$25.2	4,800	D	
COMMON STOCK	11/15/2006		M ⁽¹⁾		4,000	A	\$18.76	8,800	D	
COMMON STOCK	11/15/2006		S ⁽¹⁾		8,800	D	\$43	0	D	
COMMON STOCK ⁽²⁾								14,230	D	
COMMON STOCK ⁽³⁾								9,740	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
STOCK OPTION	\$35.25	11/15/2006		M ⁽¹⁾			1,800	12/19/1998	12/19/2007	COMMON STOCK	1,800	\$0	0	D	
STOCK OPTION	\$25.2	11/15/2006		M ⁽¹⁾			3,000	11/12/2002	11/12/2011	COMMON STOCK	3,000	\$0	2,700	D	
STOCK OPTION	\$18.76	11/15/2006		M ⁽¹⁾			4,000	02/11/2004	02/11/2013	COMMON STOCK	4,000	\$0	6,999	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 DECEMBER 31, 2005.

SHANNON K. ALBERTS FOR
 JEFFREY D. PINNEO 11/15/2006
 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.