

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

| | | |
|---|---|--|
| <div>1. Name and Address of Reporting Person*</div> <div><u>PEDERSEN BRANDON</u></div> <div>(Last) (First) (Middle)</div> <div><u>19300 INTERNATIONAL BOULEVARD</u> <u>SOUTH</u></div> <div>(Street)</div> <div><u>SEATTLE</u> <u>WA</u> <u>98188</u></div> <div>(City) (State) (Zip)</div> | <div>2. Date of Event Requiring Statement (Month/Day/Year)</div> <div><u>12/29/2003</u></div> | <div>3. Issuer Name and Ticker or Trading Symbol</div> <div><u>ALASKA AIR GROUP INC [ALK]</u></div> <div>4. Relationship of Reporting Person(s) to Issuer (Check all applicable)</div> <div><div>Director</div><div>10% Owner</div><div><input checked="" type="checkbox"/> Officer (give title below)</div><div>Other (specify below)</div><div><u>Staff VP and Controller</u></div></div> <div>5. If Amendment, Date of Original Filed (Month/Day/Year)</div> <div>6. Individual or Joint/Group Filing (Check Applicable Line)</div> <div><input checked="" type="checkbox"/> Form filed by One Reporting Person</div> <div>Form filed by More than One Reporting Person</div> |
|---|---|--|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|--|---|--|
| <u>No Securities Owned</u> | <u>0</u> | <u>D</u> | |

Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|--------------------|---|--|---|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |

Explanation of Responses:

Remarks:

Shannon K. Alberts, Attorney-
in-Fact for Brandon Pedersen 12/30/2003
** 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 5 (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.

Limited Power of Attorney
Section 16 Reporting Obligations

I hereby
authorize Alaska Air Group General Counsel and Corporate Secretary Keith
Loveless, Assistant Corporate Secretary Shannon K. Alberts and Assistant
Corporate Secretary Irv Bertram to sign on my behalf all Securities &
Exchange Commission reports in connection with changes of my beneficial
ownership of Alaska Air Group, Inc. securities.

This Power of Attorney
shall remain in full force and effect until revoked by the undersigned in a
signed writing delivered to such attorney-in-fact.

IN WITNESS
WHEREOF, the undersigned has caused this Power of Attorney to be executed
as of this 29th day of December, 2003.

Brandon Pedersen

STATE OF
WASHINGTON

COUNTY OF KING

On this 29th day of
December, 2003, Brandon Pedersen personally appeared before me, and
acknowledged that s/he executed the foregoing instrument for the purposes
therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand
and official seal.

Notary
Public: Lorraine Hurt

My Commission Expires: 5/9/2007