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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**May 2, 2005**  
(Date of earliest event reported)

**ALASKA AIR GROUP, INC.**

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(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

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**1-8957**

(Commission File Number)

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**91-1292054**

(IRS Employer Identification No.)

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**19300 Pacific Highway South, Seattle, Washington**

(Address of Principal Executive Offices)

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**98188**

(Zip Code)

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**(206) 392-5040**

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(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 8.01. Other Events**

On April 30, 2005, Alaska Airlines, Inc. issued the attached release (exhibit 99.1) announcing the arbitrator's decisions on the major terms of a new contract between the airline and its Air Line Pilots Association (ALPA) bargaining unit.

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: May 2, 2005

/s/ Brandon S. Pedersen

Brandon S. Pedersen  
Staff Vice President/Finance and Controller

/s/ Bradley D. Tilden

Bradley D. Tilden  
Executive Vice President/Finance and Chief Financial Officer

Contact: Lou Cancelmi  
206-392-5170

FOR IMMEDIATE RELEASE

April 30, 2005

**ALASKA AIRLINES RECEIVES ARBITRATOR'S DECISION**

SEATTLE — An arbitrator notified Alaska Airlines today of his decisions on the major terms of a new contract between the airline and its Air Line Pilots Association (ALPA) bargaining unit.

The decisions of the arbitrator, Richard Kasher, cover all 1,465 pilots employed by Alaska Airlines. The new contract becomes effective May 1.

The existing contract between the airline and the union called for an arbitrator, mutually agreed upon, to resolve differences if the parties were unable to reach agreement. ALPA and Alaska Airlines began contract talks in October 2003. The arbitrator was called in to help craft a settlement when an agreement could not be reached by a December 15, 2004, deadline.

While wage provisions go into effect tomorrow, full implementation of all provisions is expected to occur over several weeks. The contract becomes amendable in two years.

The terms of the agreement, set by the arbitrator, were based on information presented by both the airline and ALPA. They include an approximate 26 percent reduction in pilot wages, various work rule changes resulting in productivity improvements and higher employee health care contributions. No changes were made to the pilots' pension or profit sharing plans.

"We are grateful to the arbitrator for helping us reach a resolution," said Dennis Hamel, Alaska's vice president of employee services. "This allows us to move forward with a competitive wage and benefit package for our pilots and helps us achieve a better cost alignment with other major carriers."

Alaska Airlines, the nation's ninth largest carrier, serves more than 50 cities in Alaska, the Lower 48, Canada and Mexico.

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