

**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

|   |   |   |
|---|---|---|
| <b>1. Name and Address of Reporting Person*</b><br><u>THOMPSON J KENNETH</u><br><br>(Last) (First) (Middle)<br><u>19300 INTERNATIONAL BLVD</u><br><br>(Street)<br><u>SEATTLE WA 98188</u><br><br>(City) (State) (Zip) | <b>2. Issuer Name and Ticker or Trading Symbol</b><br><u>ALASKA AIR GROUP INC [ ALK ]</u> | <b>5. Relationship of Reporting Person(s) to Issuer</b><br>(Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br>Officer (give title below) Other (specify below) |
|   | <b>3. Date of Earliest Transaction (Month/Day/Year)</b><br><u>02/27/2012</u>              |   |
| <b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>   |   |   |

**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   |   |  |   |
| DEFERRED STOCK UNIT <sup>(1)</sup> |                                      |  |                                |   |   |            |         | 4,652   | D  |   |
| COMMON STOCK                       | 02/27/2012                           |  | S                              |   | 211   | D          | \$69.06 | 9,871   | D  |   |
| COMMON STOCK                       | 02/27/2012                           |  | S                              |   | 39  | D          | \$69.09 | 9,832   | D  |   |

**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 |   |  |  |   |  |
|  |  |                                      |  |                                |   |  |  |                 |   |  |  |   |  |

**Explanation of Responses:**

1. FULLY VESTED STOCK UNITS UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PAYABLE IN SHARES OF THE ISSUER'S COMMON STOCK ON A ONE-FOR-ONE BASIS FOLLOWING THE TERMINATION OF THE REPORTING PERSON'S SERVICE ON THE BOARD OF DIRECTORS.

/s/ Jeanne Gammon Attorney-  
in-Fact for J. Kenneth 02/29/2012  
Thompson

\*\* 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.