

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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**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> <u>SCHAEFER JOHN F JR</u>  (Last) (First) (Middle) <u>C/O ALASKA AIR GROUP INC</u> <u>19300 INTERNATIONAL BLVD</u>  (Street) <u>SEATTLE WA 98188</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>ALASKA AIR GROUP INC [ ALK ]</u>  <b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>04/27/2006</u>  <b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>STAFF VP/FINANCE AND TREASURER</u>  <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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**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	04/26/2006		M <sup>(1)</sup>		1,000	A	\$31.8	1,000	D	
COMMON STOCK	04/26/2006		M <sup>(1)</sup>		250	A	\$25.2	1,250	D	
COMMON STOCK	04/26/2006		S		1,250	D	\$38.62	0	D	
COMMON STOCK <sup>(2)</sup>								129	I	ESOP TRUST
COMMON STOCK	04/26/2006		S <sup>(3)</sup>		129	D	\$38.14	0	I	ESOP TRUST
COMMON STOCK <sup>(4)</sup>								2,340	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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
STOCK OPTION	\$31.8	04/26/2006		M			1,000	01/30/2005	01/30/2011	COMMON STOCK	1,000	\$0	0	D	
STOCK OPTION	\$25.2	04/26/2006		M			250	11/12/2005	11/12/2011	COMMON STOCK	250	\$0	0	D	

**Explanation of Responses:**

- Same-day exercise and sale of employee stock options covered by S-8 registration statement.
- Number of shares held under Employee Stock Ownership Plan as of March 31, 2006
- Exchange of Alaska Air Group shares under the Alaska Airlines employee 401(k) Plan.
- Restricted Stock Units granted under 2004 Long-Term Incentive Plan; subject to forfeiture.

Shannon K. Alberts for John F. Schaefer, Jr., Attorney-In-Fact 04/28/2006

\*\* 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.

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