

**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>BERRY CHRISTOPHER MICHAEL</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><br><br><b>3. Date of Earliest Transaction (Month/Day/Year)</b><br><u>02/14/2017</u><br><br><b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b> | <b>5. Relationship of Reporting Person(s) to Issuer</b><br>(Check all applicable)<br>Director 10% Owner<br>Officer (give title below) <u>X</u> Other (specify below)<br><u>VP &amp; CONTROLLER</u><br><br><b>6. Individual or Joint/Group Filing (Check Applicable Line)</b><br><u>X</u> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person |
|--|--|---|

**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 <sup>(3)</sup>     | 02/16/2017                           |  | S                              |   | 500   | D          | \$96.619 | 2,425   | 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 |  |  |   |  |
| EMPLOYEE STOCK OPTION (RT TO BUY)          | \$96.3   | 02/14/2017                           |  | A                              |   | 1,120  |     | 02/14/2018 <sup>(1)</sup>                                | 02/14/2027      | COMMON STOCK  | 1,120                      | \$0  | 1,120  | D   |  |
| RESTRICTED STOCK UNITS                     | \$0 <sup>(2)</sup>                                     | 02/14/2017                           |  | A                              |   | 490  |     | 02/14/2020   | 02/14/2027      | COMMON STOCK  | 490                        | \$0  | 490  | D   |  |

**Explanation of Responses:**

1. OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/14/2018, 02/14/2019, 02/14/2020 and 02/14/2021).  
 2. RESTRICTED STOCK UNITS CONVERT INTO COMMON STOCK ON A ONE-FOR-ONE BASIS.  
 3. INCLUDES 133 SHARES ACQUIRED UNDER THE ISSUER'S EMPLOYEE STOCK PURCHASE PLAN, AS WELL AS 740 AND 133 UNVESTED RESTRICTED STOCK UNITS GRANTED ON 2/10/2015 AND 2/9/2016, RESPECTIVELY, UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN.

/S/ JEANNE E GAMMON,  
ATTORNEY IN FACT FOR  
CHRISTOPHER MICHAEL  
BERRY

02/16/2017

\*\* 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.