

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

1. Name and Address of Reporting Person* <u>AYER WILLIAM S</u> _____ (Last) (First) (Middle) <u>19300 INTERNATIONAL BOULEVARD SOUTH</u> _____ (Street) <u>SEATTLE WA 98188</u> _____ (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALASKA AIR GROUP INC [ ALK ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman, President and CEO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>11/17/2004</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year) <u>11/12/2004</u>		

**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	11/17/2004		A <sup>(1)</sup>		15,400	A	\$0.00	22,700 <sup>(2)</sup>	D	
Common Stock								3,028 <sup>(3)</sup>	I	ESOP Trust

**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
Employee Stock Option (Right to Buy)	\$28.85	11/17/2004		A <sup>(4)</sup>		20,000		11/10/2005	11/17/2014	Common Stock	20,000	\$28.85	20,000	D	

**Explanation of Responses:**

- Award of restricted stock units granted under the 2004 Long-Term Incentive Equity Plan on November 17, 2004. Units will "cliff" vest 100% on November 10, 2007, subject to forfeiture. This award replaces an award originally granted on November 10, 2004, which was canceled.
- Of the 22,700 shares listed, 7,300 shares were acquired by exercise of stock options on October 9, 2003.
- Number of shares owned between the Alaska Airlines and Horizon Air 401(k) retirement plans as of November 8, 2004.
- Grant of shares acquired under the Alaska Air Group 2004 Long-Term Incentive Equity Plan. This grant will vest 25% each year for four years beginning on November 10, 2005. This grant of stock options replaces the grant originally awarded on November 10, 2004, which was canceled.

**Remarks:**

Shannon K. Alberts for  
William S. Ayer, Attorney-in- 11/19/2004  
Fact

\*\* 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.