

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

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287

Estimated average burden

hours per response: 0.5

☐ 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*			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<u>AYER WILLIAM S</u>			<u>ALASKA AIR GROUP INC [ALK]</u>			<input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CHAIRMAN, PRESIDENT & CEO</u>		
(Last) (First) (Middle)			3. Date of Earliest Transaction (Month/Day/Year)					
<u>C/O ALASKA AIR GROUP INC</u>			<u>12/03/2010</u>					
<u>19300 INTERNATIONAL BLVD</u>								
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)		
<u>SEATTLE WA 98188</u>						<input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City) (State) (Zip)								

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	12/03/2010		M ⁽¹⁾		5,950	A	\$30.89	35,151	D	
COMMON STOCK	12/03/2010		S ⁽¹⁾		5,950	D	\$56	29,201	D	
COMMON STOCK	12/06/2010		M ⁽¹⁾		19,425	A	\$30.89	48,626	D	
COMMON STOCK	12/06/2010		S ⁽¹⁾		19,425	D	\$56	29,201	D	
COMMON STOCK ⁽²⁾								90,338	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					
EMPLOYEE STOCK OPTION (RT TO BUY)	\$30.89	12/03/2010		M ⁽¹⁾		5,950	01/30/2006	01/30/2012	COMMON 5,950	\$0	19,425	D	
EMPLOYEE STOCK OPTION (RT TO BUY)	\$30.89	12/06/2010		M ⁽¹⁾		19,425	01/30/2006	01/30/2012	COMMON 19,425	\$0	0	D	

Explanation of Responses:

1. THIS SAME-DAY EXERCISE AND SALE OF OPTIONS WAS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON AUGUST 4, 2010.

2. STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; NOT YET VESTED BUT NO LONGER SUBJECT TO FORFEITURE.

JEANNE E. GAMMON
ATTORNEY IN FACT FOR 12/07/2010
WILLIAM S. AYER

** 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.