

PEDERSEN BRANDON
 Form 4
 February 08, 2011

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 OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 PEDERSEN BRANDON

(Last) (First) (Middle)
 ALASKA AIRLINES INC, 19300
 INTERNATIONAL BLVD
 (Street)

SEATTLE, WA 98188

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 ALASKA AIR GROUP INC [ALK]

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/07/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP FIN AND CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
COMMON STOCK	02/07/2011		A ⁽¹⁾		833	A	\$ 0
COMMON STOCK ⁽²⁾	02/07/2011		A ⁽³⁾		1,440	A	\$ 0
COMMON STOCK ⁽²⁾	02/08/2011		F ⁽⁴⁾		532	D	\$ 61.94

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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number.

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 Underlying Security (Instr. 3 and 4)
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 61.3	02/07/2011		A	2,760	02/07/2012 ⁽⁵⁾ 02/07/2021	COMMON

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEDERSEN BRANDON ALASKA AIRLINES INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			VP FIN AND CFO	

Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR BRANDON S. PEDERSEN
 02/08/2011
 **Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) SHARES ISSUED UPON VESTING OF PERFORMANCE STOCK UNITS GRANTED FEBRUARY 8, 2008 UNDER THE ISSUER'S 2004 LONG-TERM INCENTIVE EQUITY PLAN. VESTING OF THE UNITS WAS DETERMINED BASED ON THE ISSUER'S AVERAGE ADJUSTED PRE-TAX PROFIT MARGIN OVER A THREE-YEAR PERFORMANCE PERIOD.
 - (2) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
 - (3) STOCK UNITS GRANTED UNDER 2008 PERFORMANCE INCENTIVE EQUITY PLAN ON FEBRUARY 7, 2011. UNITS WILL "CLIFF" VEST THREE YEARS FROM DATE OF GRANT; ON OR ABOUT FEBRUARY 7, 2014. SUBJECT TO FORFEITURE.
 - (4) SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES UPON VESTING OF STOCK UNITS AND ISSUANCE OF NET SHARES.

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- (5) OPTIONS WILL VEST IN EQUAL INSTALLMENTS OVER FOUR YEARS BEGINNING ON THE FIRST ANNIVERSARY OF THE GRANT DATE.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.