

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

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>PEDERSEN BRANDON</u> (Last) (First) (Middle) <u>19300 INTERNATIONAL BLVD</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>EXEC VP/FINANCE & CFO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/14/2019</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	02/14/2019		A ⁽³⁾		6,974	A	\$0	32,175	D	
COMMON STOCK	02/14/2019		A ⁽⁴⁾		1,294	A	\$0	33,469	D	
COMMON STOCK	02/14/2019		F ⁽⁵⁾		2,409 ⁽⁶⁾	D	\$66.57	31,060	D	
COMMON STOCK	02/14/2019		F ⁽⁵⁾		510 ⁽⁶⁾	D	\$66.57	30,550	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						Amount or Number of Shares
EMPLOYEE STOCK OPTION (RT TO BUY)	\$66.57	02/14/2019		A		20,280		02/14/2020 ⁽¹⁾	02/14/2029	COMMON STOCK	20,280	\$0	20,280	D	
RESTRICTED STOCK UNITS	\$0	02/14/2019		A		5,290		02/14/2022 ⁽²⁾	02/14/2029	COMMON STOCK	5,290	\$0	5,290	D	

Explanation of Responses:

- OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/14/2020, 02/14/2021, 02/14/2022 and 02/14/2023).
- RESTRICTED STOCK UNITS CLIFF VEST 3 YEARS FROM GRANT AND CONVERT INTO COMMON STOCK ON A ONE-FOR-ONE-BASIS.
- COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A THREE-YEAR PERIOD ENDING 12/31/18 IN ACCORDANCE WITH THE TERMS OF A PERFORMANCE STOCK UNIT AWARD GRANTED ON 2/9/2016 UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION COMMITTEE ON 2/14/2019.
- COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A ONE-YEAR PERIOD ENDING 12/31/18 IN ACCORDANCE WITH THE TERMS OF A PERFORMANCE STOCK UNIT AWARD GRANTED ON 3/7/2017 UNDER THE ISSUER'S 2016 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION COMMITTEE ON 2/14/2019.
- SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF PERFORMANCE STOCK UNITS ON 2/14/2019.
- PRICE PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF ALK SHARES ON THE DATE SHARES WERE FORFEITED FOR TAXES.

/S/ JEANNE E. GAMMON,
ATTORNEY IN FACT FOR 02/19/2019
BRANDON S. PEDERSEN

** 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.