

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

| | | | | | | |
|--|---------|----------|--|--|--|--|
| 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) | |
| SPRAGUE JOSEPH A | | | ALASKA AIR GROUP, INC. [ALK] | | Director 10% Owner | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) | | X Officer (give title below) Other (specify below) | |
| 19300 INTERNATIONAL BLVD | | | 05/12/2017 | | SR VP/COMM & EXT RELATIONS | |
| (Street) | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | 6. Individual or Joint/Group Filing (Check Applicable Line) | |
| SEATTLE WA 98188 | | | | | X Form filed by One Reporting Person | |
| (City) (State) (Zip) | | | | | 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 401(K) ⁽¹⁾ | | | | | | | | 7,049 | I | ESOP TRUST |
| COMMON STOCK ⁽²⁾ | 05/12/2017 | | F ⁽³⁾ | | 647 | D | \$85.59 | 13,691 | 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 | | | | | |
| | | | | | | | | | | | | | |

Explanation of Responses:

1. COMMON SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST, AS OF 12/31/16.
2. INCLUDES 1,550 and 1,750 UNVESTED RESTRICTED STOCK UNITS GRANTED ON 2/10/2015 and 2/9/2016, RESPECTIVELY, UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN.
3. COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF RESTRICTED STOCK UNITS ON 05/12/2017. AMOUNT PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.

/S/ JEANNE E GAMMON,
 ATTORNEY-IN-FACT FOR 05/16/2017
 JOSEPH A. SPRAGUE

** 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.