
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

October 3, 2001
(Date of Report)

ALASKA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)
Commission file number 1-8957

Delaware
(State or other jurisdiction of
incorporation or organization)

91-1292054
(I.R.S. Employer
Identification No.)

19300 Pacific Highway South, Seattle, Washington 98188
(Address of principal executive offices)

(206) 431-7040
(Registrant's telephone number)

ITEM 9. Regulation FD Disclosure

FORWARD-LOOKING INFORMATION

This report may contain forward-looking statements that are based on the best information currently available to management. These forward-looking statements are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are indicated by phrases such as "will," "should," "the Company believes," "we expect" or any other language indicating a prediction of future events. There can be no assurance that actual developments will be those anticipated by the Company. Actual results could differ materially from those projected as a result of a number of factors, some of which the Company cannot predict or control. For a discussion of these factors, please see Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2000. The Company expressly disclaims any duty to update these projections, and makes no representation as to their continued accuracy in the event it does not provide such updates.

At September 30, 2001, Alaska Air Group had approximately \$660 million of cash, including \$150 million obtained under its credit facility and \$50 million received from the U.S. Government under the Air Transportation Safety and System Stabilization Act, which is approximately half of the total amount expected to be received under the Act.

Provided below are estimates, which are more difficult than normal to determine because of the irregular operations since September 11, for the third quarter of 2001.

	Forecast Q3	Change Yr/Yr
Alaska Airlines		
Capacity (ASMs in millions)	4,687	4.3%
Fuel gallons (000,000)	79.4	1.2%
Fuel cost (\$/gallon including tax)	0.90	(13.6)%
Cost per ASM excluding fuel (cents)	8.40	2.3%
Horizon Air		
Capacity (ASMs in millions)	555	(8.5)%
Fuel gallons (000,000)	14.6	(16.0)%
Fuel cost (\$/gallon including tax)	0.94	(10.8)%
Cost per ASM excluding fuel (cents)	17.85	8.5%

During the fourth quarter of 2001, Alaska estimates that it will operate approximately 86% of its previously planned flight schedule and Horizon

estimates it will operate 75% of its previously planned flight schedule. Provided below are capacity (ASMs in millions) estimates for the remainder of 2001.

Alaska Airlines Q4	4,101	(6.4)%
Alaska Airlines Full Year	17,900	3.4%
Horizon Air Q4	439	(22.2)%
Horizon Air Full Year	2,113	(8.1)%

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Provided below are estimated changes in the Horizon and Alaska fleets for 2001 - 2002.

Operating Fleet Plan	Seats	On Hand YE 2000	Estimated Change During	
			2001	2002
Alaska Airlines				
B737-200C	111	8	1	
B737-400	138	40		
B737-700	120	13	3	2
B737-900	172	—	5	2
MD-80	140	34	(3)	(4)
Total		95	6	0
Horizon Air				
Dash 8-100/200	37	40	(12)	
Dash 8-400	70	—	12	3
F-28	69	22	(19)	(3)
CRJ 700*	70	—	9	6
Total		62	(10)	6

* The CRJ700s were delayed. Horizon and the manufacturer have reached agreement on a revised delivery plan, and Horizon will receive additional manufacturer support to compensate for the delay.

Note: In the wake of the terrorists attacks on September 11, Alaska and Horizon are re-evaluating their fleet plans and the fleet activity shown above may change in the near future.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: October 3, 2001

/s/ BRADLEY D. TILDEN

Bradley D. Tilden
Vice President/Finance and Chief Financial Officer

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