

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>			Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman, President and CEO</u>		
(Last) (First) (Middle)			3. Date of Earliest Transaction (Month/Day/Year)					
<u>19300 INTERNATIONAL BOULEVARD SOUTH</u>			<u>11/17/2004</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>			<u>11/12/2004</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	11/17/2004		A ⁽¹⁾		15,400	A	\$0.00	22,700 ⁽²⁾	D	
Common Stock								3,028 ⁽³⁾	I	ESOP Trust

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					
Employee Stock Option (Right to Buy)	\$28.85	11/17/2004		A ⁽⁴⁾		20,000		11/10/2005	11/17/2014	Common Stock 20,000	\$28.85	20,000	D	

Explanation of Responses:

- Award of restricted stock units granted under the 2004 Long-Term Incentive Equity Plan on November 17, 2004. Units will "cliff" vest 100% on November 10, 2007, subject to forfeiture. This award replaces an award originally granted on November 10, 2004, which was canceled.
- Of the 22,700 shares listed, 7,300 shares were acquired by exercise of stock options on October 9, 2003.
- Number of shares owned between the Alaska Airlines and Horizon Air 401(k) retirement plans as of November 8, 2004.
- Grant of shares acquired under the Alaska Air Group 2004 Long-Term Incentive Equity Plan. This grant will vest 25% each year for four years beginning on November 10, 2005. This grant of stock options replaces the grant originally awarded on November 10, 2004, which was canceled.

Remarks:

Shannon K. Alberts for
William S. Ayer, Attorney-in- 11/19/2004
Fact

** 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.