

AYER WILLIAM S
Form 4
February 02, 2007

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 *
AYER WILLIAM S

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O ALASKA AIR GROUP
INC, 19300 INTERNATIONAL
BLVD

3. Date of Earliest Transaction
(Month/Day/Year)
01/31/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
CHAIRMAN, PRESIDENT & CEO

(Street)
SEATTLE, WA 98188

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

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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount or Price					
COMMON STOCK <u>(1)</u>	01/31/2007		A		5,200	A	\$ 0	34,600	D	
COMMON STOCK <u>(2)</u>								3,449	I	ESOP TRUST
COMMON STOCK <u>(3)</u>	01/31/2007		A		9,175	A	\$ 42.85	35,975	D	

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

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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 (RIGHT TO BUY)	\$ 42.85	01/31/2007		A ⁽⁴⁾	23,800	01/31/2008 01/31/2017	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYER WILLIAM S C/O ALASKA AIR GROUP INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188	X		CHAIRMAN, PRESIDENT & CEO	

Signatures

SHANNON K. ALBERTS FOR WILLIAM S. AYER,
ATTORNEY-IN-FACT

02/02/2007

**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) RESTRICTED STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN; SUBJECT TO FORFEITURE.
 - (2) SHARES HELD UNDER EMPLOYEE STOCK OWNERSHIP PLAN AS OF DECEMBER 31, 2006.
 - (3) COMMON SHARES ISSUED UNDER THE 2004 LONG-TERM INCENTIVE PLAN IN LIEU OF CASH AWARD FOR 2006 UNDER THE AIR GROUP PERFORMANCE-BASED PAY PLAN.
 - (4) GRANT OF STOCK OPTIONS UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN. THIS GRANT WILL VEST 25% EACH YEAR FOR FOUR YEARS BEGINNING ON JANUARY 31, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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