AYER WILLIAM S
Form 4
February 02, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
AYER WILLIAM S
(Last) (First) (Middle)
C/O ALASKA AIR GROUP INC, 19300 INTERNATIONAL BLVD
(Street)
SEATTLE, WA 98188
(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
01/29/2009

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CHAIRMAN, PRESIDENT & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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	(A) or (D)	Price			
COMMON STOCK (1)	01/29/2009		A		56,233	A	$ 0	56,233	D	
COMMON STOCK (2)								16,825	D	
COMMON STOCK								56,058	D	
COMMON STOCK (3)								3,867	I	ESOP TRUST

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

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 control number.

SEC 1474 (9-02)

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 Amour Underlying Securit (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Ar or Nu of
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	$ 27.56	01/29/2009		A (4)		51,300		01/29/2010	01/29/2019	COMMON STOCK	5
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	$ 27.56	01/29/2009		A (5)		68,338		01/29/2012	01/29/2019	COMMON STOCK	6

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

KAREN A. GRUEN, ATTORNEY IN FACT FOR WILLIAM S. AYER	02/02/2009
**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)

STOCK UNITS GRANTED UNDER 2008 PERFORMANCE INCENTIVE EQUITY PLAN ON JANUARY 29, 2009. UNITS WILL "CLIFF" VEST ON JANUARY 29, 2012.

(2) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN; NOT VESTED OR ISSUED.

(3) SHARES HELD IN AN ALASKA AIR GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN TRUST AS OF DECEMBER 31, 2008.

(4) GRANT OF NON-QUALIFIED STOCK OPTIONS UNDER THE 2008 PERFORMANCE INCENTIVE PLAN. THIS GRANT WILL VEST 25% EACH YEAR FOR FOUR YEARS. FIRST 25% INCREMENT VESTS ON JANUARY 29, 2010.

(5) STOCK OPTIONS GRANTED UNDER 2008 PERFORMANCE INCENTIVE EQUITY PLAN ON JANUARY 29, 2009. 100% OF THESE OPTIONS WILL "CLIFF" VEST ON JANUARY 29, 2012.

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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