

DOBBS KELLEY J
Form 4
August 11, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
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 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 *
DOBBS KELLEY J

(Last) (First) (Middle)

ALASKA AIRLINES, 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)

08/09/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

VP/HR & LABOR RELATIONS

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| COMMON STOCK | 08/09/2010 | | M ⁽¹⁾ | | 2,100 A \$ 32.96 | 5,362 | D |
| COMMON STOCK | 08/09/2010 | | M ⁽¹⁾ | | 1,777 A \$ 37.96 | 7,139 | D |
| COMMON STOCK | 08/09/2010 | | M ⁽¹⁾ | | 929 A \$ 27.4 | 8,068 | D |
| COMMON STOCK | 08/09/2010 | | S ⁽¹⁾ | | 4,806 D \$ 54 | 3,262 | D |
| COMMON STOCK ⁽²⁾ | | | | | | 13,560 | D |

COMMON
STOCK ⁽³⁾

976

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 Amount of Underlying Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| EMP STOCK OPTION (RT TO BUY) | \$ 32.96 | 08/09/2010 | | M ⁽¹⁾ | 2,100 | 08/30/2006 ⁽⁴⁾ 08/30/2015 | COMMON | 2,100 |
| EMP STOCK OPTION (RT TO BUY) | \$ 37.96 | 08/09/2010 | | M ⁽¹⁾ | 1,777 | 09/13/2009 ⁽⁵⁾ 09/13/2016 | COMMON | 1,777 |
| EMP STOCK OPTION (RT TO BUY) | \$ 27.4 | 08/09/2010 | | M ⁽¹⁾ | 929 | 06/14/2010 ⁽⁶⁾ 06/14/2017 | COMMON | 929 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DOBBS KELLEY J ALASKA AIRLINES, INC. 19300 INTERNATIONAL BLVD | | | VP/HR & LABOR RELATIONS | |

SEATTLE, WA 98188

Signatures

KAREN A. GRUEN, ATTORNEY IN FACT FOR KELLEY J.
DOBBS

08/11/2010

__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) THE SAME-DAY EXERCISE AND SALE OF OPTIONS REPORTED IN THIS FORM 4 WERE EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PROGRAM ADOPTED BY MS. DOBBS ON JULY 23, 2010.
- (2) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
- (3) SHARES HELD IN AN ALASKA AIR GROUP, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF DECEMBER 31, 2009.
- (4) THE OPTIONS VESTED IN FOUR ANNUAL INSTALLMENTS FROM THE DATE OF GRANT AND WERE FULLY VESTED AS OF 08/30/2009.
- (5) THE OPTIONS VESTED IN EQUAL ANNUAL INSTALLMENTS FROM THE DATE OF GRANT AND WERE FULLY EXERCISABLE AS OF 09/13/2009; REMAINING OPTIONS BECOME EXERCISABLE 09/13/2010.
- (6) THE OPTIONS VESTED IN EQUAL ANNUAL INSTALLMENTS FROM THE DATE OF GRANT AND WERE FULLY EXERCISABLE AS OF 06/14/2010; REMAINING OPTIONS BECOME EXERCISABLE 06/14/2011.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.