

ALASKA AIR GROUP, INC.
 Form 4
 March 12, 2014

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 *
 SPRAGUE JOSEPH A

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)
 19300 INTERNATIONAL BLVD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/11/2014

____ Director _____ 10% Owner
 ____ Officer (give title below) ____ Other (specify below)
 VP/MARKETING

SEATTLE, WA 98188
 (City) (State) (Zip)

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) |
|--------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| COMMON STOCK 401(K) ⁽¹⁾ | | | | (A) | 3,363 | I | ESOP TRUST |
| RESTRICTED STOCK UNIT ⁽²⁾ | | | | (D) | 4,210 | D | |
| COMMON STOCK | 03/11/2014 | | M | 3,750 A | \$ 16.48 13,072 | D | |
| COMMON STOCK | 03/11/2014 | | S | 3,750 D | \$ 88.8701 9,322 | D | |

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

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(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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| EMPLOYEE STOCK OPTION (RT TO BUY) | \$ 16.48 | 03/11/2014 | | M | 3,750 | 08/30/2006 08/30/2015 | COMMON STOCK 3, |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------|-------|
| | Director | 10% Owner | Officer | Other |
| SPRAGUE JOSEPH A 19300 INTERNATIONAL BLVD SEATTLE, WA 98188 | | | VP/MARKETING | |

Signatures

/S/ JEANNE E GAMMON, ATTORNEY-IN-FACT FOR JOSEPH A. SPRAGUE 03/12/2014

__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) COMMON SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST, AS OF 12/31/13.
- (2) STOCK UNITS AWARDED UNDER ALASKA AIR GROUP'S 2008 PERFORMANCE INCENTIVE PLAN; SUBJECT TO FORFEITURE.

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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