

ALASKA AIR GROUP, INC.

Form 4

February 16, 2017

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
TILDEN BRADLEY D

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)
02/14/2017

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

SEATTLE, WA 98188

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 Ownership Indirect Beneficial Ownership (Instr. 4)
COMMON STOCK 401(K) ⁽¹⁾					15,473	I	ESOP TRUST
COMMON STOCK					18,405	I	GRAT
COMMON STOCK ⁽²⁾	02/14/2017		A ⁽³⁾	18,850 A	\$ 0 159,854	D	
COMMON STOCK ⁽²⁾	02/14/2017		F ⁽⁶⁾	7,908 D	\$ 96.3 151,946	D	

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 A Underlying S (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
RESTRICTED STOCK UNITS	\$ 0 <u>(4)</u>	02/14/2017		A		7,000		02/14/2020	02/14/2027	COMMON STOCK
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 96.3	02/14/2017		A		16,000		02/14/2018 <u>(5)</u>	02/14/2027	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
TILDEN BRADLEY D 19300 INTERNATIONAL BLVD SEATTLE, WA 98188	CHAIRMAN, PRESIDENT AND CEO

Signatures

/S/ JEANNE E. GAMMON, ATTORNEY IN FACT FOR BRADLEY D.
TILDEN

02/14/2017

 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 12/31/16.

(2) INCLUDES 6,000 AND 6,300 UNVESTED RESTRICTED STOCK UNITS GRANTED ON 2/10/2015 and 2/9/2016, RESPECTIVELY, UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN.

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- COMMON SHARES ISSUED UPON ATTAINING PERFORMANCE GOALS SET FOR A THREE-YEAR PERIOD ENDING 12/31/2016 IN ACCORDANCE WITH THE TERMS OF A PERFORMANCE STOCK UNIT AWARD GRANTED ON 2/11/2014 UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; PER APPROVAL BY THE BOARD'S COMPENSATION COMMITTEE ON 2/14/2017.
- (3)
- (4) RESTRICTED STOCK UNITS CONVERT INTO COMMON STOCK ON A ONE-FOR-ONE BASIS.
- (5) OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/14/2018, 02/14/2019, 02/14/2020 and 02/14/2021).
- (6) COMMON SHARES FORFEITED TO COVER PAYROLL TAXES UPON VESTING OF PERFORMANCE STOCK UNITS ON 2/14/2017. AMOUNT PROVIDED IN COLUMN 4 REPRESENTS THE FMV OF THE SHARES ON THE DATE OF FORFEITURE.

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.