

ALASKA AIR GROUP INC

Form 4

April 27, 2006

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 *
SCHAEFER JOHN F JR

(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)

04/27/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
STAFF VP/FINANCE AND TREASURER

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	(D)	Price
COMMON STOCK	04/26/2006		M ⁽¹⁾		1,000	A	\$ 31.8
COMMON STOCK	04/26/2006		M ⁽¹⁾		250	A	\$ 25.2
COMMON STOCK	04/26/2006		S		1,250	D	\$ 38.62
COMMON STOCK ⁽²⁾					129	I	
COMMON STOCK	04/26/2006		S ⁽³⁾		129	D	\$ 38.14

COMMON
STOCK ⁽⁴⁾

2,340

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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date			
STOCK OPTION	\$ 31.8	04/26/2006		M	V	(A)	(D)	01/30/2005	01/30/2011	COMMON STOCK	1,000
STOCK OPTION	\$ 25.2	04/26/2006		M				11/12/2005	11/12/2011	COMMON STOCK	250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHAEFER JOHN F JR C/O ALASKA AIR GROUP INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			STAFF VP/FINANCE AND TREASURER	

Signatures

Shannon K. Alberts for John F. Schaefer, Jr.,
Attorney-In-Fact

04/28/2006

**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).

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- (1) Same-day exercise and sale of employee stock options covered by S-8 registration statement.
- (2) Number of shares held under Employee Stock Ownership Plan as of March 31, 2006
- (3) Exchange of Alaska Air Group shares under the Alaska Airlines employee 401(k) Plan.
- (4) Restricted Stock Units granted under 2004 Long-Term 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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