

ALASKA AIR GROUP, INC.
 Form 4
 February 16, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 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 *
 MINICUCCI BENITO

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 below) ____ Other (specify below)
 PRES & COO

SEATTLE, WA 98188

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

(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 (Instr. 4)
			Code	V	Amount or Price		
COMMON STOCK <u>(1)</u>	02/14/2017		A ⁽²⁾		10,465 <u>(1)</u>	A	\$ 0 83,163 D
COMMON STOCK <u>(1)</u>	02/14/2017		F ⁽⁵⁾		4,391	D	\$ 96.3 78,772 D

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

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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 Underlying Security (Instr. 3 and 4)
RESTRICTED STOCK UNITS	\$ 0 ⁽³⁾	02/14/2017		A	4,400	02/14/2020 02/14/2027	COMMON STOCK
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 96.3	02/14/2017		A	10,130	02/14/2018 ⁽⁴⁾ 02/14/2027	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MINICUCCI BENITO 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			PRES & COO	

Signatures

/S/ JEANNE E. GAMMON, ATTORNEY IN FACT FOR BENITO
MINICUCCI

02/16/2017

**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) INCLUDES 2,440, 4,990 and 5,000 UNVESTED RESTRICTED STOCK UNITS GRANTED ON 5/12/2014, 2/10/2015, AND 2/9/2016, RESPECTIVELY, UNDER THE ISSUER'S 2008 PERFORMANCE INCENTIVE PLAN; and 260 UNVESTED RESTRICTED STOCK UNITS GRANTED ON 5/12/2016 UNDER THE ISSUER'S 2016 PERFORMANCE INCENTIVE PLAN.

(2) 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) RESTRICTED STOCK UNITS CONVERT INTO COMMON STOCK ON A ONE-FOR-ONE BASIS.

(4) OPTIONS VEST IN 25% INCREMENTS OVER FOUR YEARS (02/14/2018, 02/14/2019, 02/14/2020 and 02/14/2021).

(5)

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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.