

ALASKA AIR GROUP INC

Form 4

November 15, 2006

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 *
PINNEO JEFFREY D

(Last) (First) (Middle)

**HORIZON AIR INDUSTRIES
INC, 19521 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)

11/15/2006

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)
PRESIDENT & CEO, HORIZON AIR

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 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	11/15/2006		M ⁽¹⁾	1,800 A	\$ 35.25 1,800	D	
COMMON STOCK	11/15/2006		M ⁽¹⁾	3,000 A	\$ 25.2 4,800	D	
COMMON STOCK	11/15/2006		M ⁽¹⁾	4,000 A	\$ 18.76 8,800	D	
COMMON STOCK	11/15/2006		S ⁽¹⁾	8,800 D	\$ 43 0	D	
COMMON STOCK ⁽²⁾					14,230	D	

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COMMON
STOCK ⁽³⁾

9,740

I

ESOP
TRUST

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 Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
STOCK OPTION	\$ 35.25	11/15/2006		M ⁽¹⁾		1,800		12/19/1998	12/19/2007	COMMON STOCK	1,800
STOCK OPTION	\$ 25.2	11/15/2006		M ⁽¹⁾		3,000		11/12/2002	11/12/2011	COMMON STOCK	3,000
STOCK OPTION	\$ 18.76	11/15/2006		M ⁽¹⁾		4,000		02/11/2004	02/11/2013	COMMON STOCK	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PINNEO JEFFREY D HORIZON AIR INDUSTRIES INC 19521 INTERNATIONAL BLVD SEATTLE, WA 98188			PRESIDENT & CEO, HORIZON AIR	

Signatures

SHANNON K. ALBERTS FOR JEFFREY D. PINNEO,
ATTORNEY-IN-FACT

11/15/2006

 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).

(1) SAME-DAY SALE AND EXERCISE OF OPTIONS COVERED BY S-8 REGISTRATION STATEMENT.

(2) RESTRICTED STOCK UNITS HELD UNDER 2004 LONG-TERM INCENTIVE PLAN; SUBJECT TO FORFEITURE.

(3) NUMBER OF SHARES HELD UNDER EMPLOYEE STOCK OWNERSHIP PLAN AS OF DECEMBER 31, 2005.

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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