

July 30, 2005

Mark H Woods  
31825 3rd Pl. SW #B  
Federal Way  
WA 98023

Mrs. Shannon Alberts,  
Director, Shareholder Relations  
Alaska Air Group, Inc.  
PO Box 68947  
Seattle, WA 98168

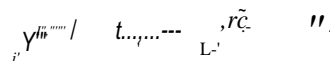
Dear Mrs. Alberts:

Congratulations on your new position as head of shareholder relations.

I am writing to ask how the company is planning to proceed with implementation of my 2005 shareholder proposal on adopting a simple majority vote when amending corporate bylaws. (Ref: AAG Proxy statement shareholder proposal #6). This proposal won a FOR vote of 67.6% of total outstanding shares, as well as 75.7% of votes present at the AGM. Alaska's shareholders have clearly indicated a strong level of support for this proposal and I believe there is a lot of interest seeing this proposal enacted as soon as practical.

Please keep me apprised of the status of this proposal. Thanks very much for your assistance.

Sincerely,



Mark Woods

# Alaska Air Group, Inc.

August 29, 2005

Mr. Mark Woods  
31825 3rd Pl. SW #B  
Federal Way, WA 98023

Dear Mr. Woods:

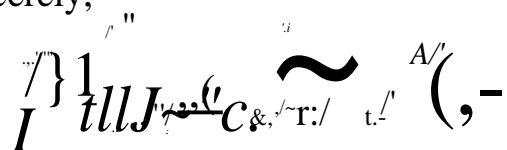
We received your recent letter concerning the bylaw amendment you sponsored at the 2005 Alaska Air Group annual shareholder meeting to adopt a simple-majority voting standard for amending the Bylaws.

As was stated in the 2005 proxy statement, the Board opposes the proposal and believes that it is invalid for the reasons outlined on page 41 of the proxy statement under "Disabling the Board from effectively exercising its statutory and fiduciary duties."

The Board takes seriously its obligation to consider shareholder proposals that receive passing votes. For example, in 2004 we adopted policies on shareholder rights plans ("poison pills") and confidential voting in response to proposals that were approved by shareholders. At the same time, however, the Board takes just as seriously its fiduciary obligation to use independent judgment on how to maximize the Company's value to all stakeholders, including investors, employees and customers.

As a result of these considerations, the Board has decided not to implement your proposal. We regret that this may not be the outcome you had hoped for, but it is the outcome that the Board of Directors believes its fiduciary duty requires.

Sincerely,



Keith Loveless  
Vice President/Legal and Corporate Affairs,  
General Counsel and Corporate Secretary

Enclosure

cc: Alaska Air Group Board of Directors  
Shannon Alberts

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