



O'MELVENY & MYERS LLP

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OUR FILE NUMBER
011,140-014

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WRITER'S E-MAIL ADDRESS
tleary@omm.com

January 8, 2008

Mr. Steve Nieman
15204 NE 181st Loop
Brush Prairie, Washington 98606

Re: Alaska Air Group Inc.

Dear Mr. Nieman:

I am responding on behalf of our client, Alaska Air Group, Inc. (the "Company"), to your letter of December 11, 2007, addressed to Mr. Bill Ayer.

You state in your letter that you are unwilling to sign a confidentiality agreement prior to gaining access to any corporate records, since your plan is to disseminate the information publicly to all stockholders. Yet, it is well-settled under Delaware case law that a stockholder may not use his inspection rights under Delaware General Corporation Law Section 220 to publicly disseminate otherwise confidential information. Further, courts also routinely condition a stockholder's inspection demand on a reasonable confidentiality arrangement to protect the legitimate interests of the corporation and its stockholders.

The form of confidentiality agreement that we previously provided to you is customary and reasonable in scope. It allows you to proceed with your inspection demand, and at the same time safeguards the Company's interests by assuring that any proposed disclosure of confidential information by you may first be submitted for review by the appropriate court.

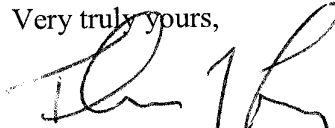
Please let us know if you change your mind, and are willing to sign a confidentiality agreement substantially in the form that we previously provided to you. Following receipt of the signed confidentiality agreement from you, the Company remains prepared to respond to your demand consistent with applicable legal requirements.

O'MELVENY & MYERS LLP

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Please direct all future correspondence on this matter to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'TJL', written over a horizontal line.

Thomas J. Leary
of O'MELVENY & MYERS LLP

TJL:tr

Enclosure

cc: Mr. William S. Ayer
Keith Loveless, Esq.
Karen A. Gruen, Esq.

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