

SCHNITZER STEEL INDUSTRIES INC  
 Form 4  
 November 14, 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 \*  
 SCHNITZER MARDI

2. Issuer Name and Ticker or Trading Symbol  
 SCHNITZER STEEL INDUSTRIES INC [SCHN]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 3200 NW YEON AVENUE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/10/2006

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

PORTLAND, OR 97210

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		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	(A) or (D)			
Class A Common Stock	11/10/2006		C <sup>(1)</sup>		31,500	A \$ 0	31,500	I	By Trust <sup>(4)</sup>
Class A Common Stock	11/13/2006		C		43,500	A \$ 0	43,500	I	By Voting Trust <sup>(4)</sup>
Class A Common Stock	11/13/2006		Z	V	43,500	D \$ 0	0	I	By Voting Trust <sup>(4)</sup>
Class A Common	11/13/2006		Z	V	43,500	A \$ 0	75,000	I	By Trust <sup>(4)</sup>

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Stock									
Class A Common Stock	11/13/2006		S	12,200	D	\$ 40.0626	62,800	I	By Trust <u>(4)</u>
Class A Common Stock	11/13/2006		S	7,400	D	\$ 40.0027	55,400	I	By Trust <u>(4)</u>
Class A Common Stock	11/13/2006		S	500	D	\$ 40.0154	54,900	I	By Trust <u>(4)</u>
Class A Common Stock	11/13/2006		S	13,400	D	\$ 40.0054	41,500	I	By Trust <u>(4)</u>
Class A Common Stock	11/13/2006		S	10,000	D	\$ 40.0236	31,500	I	By Trust <u>(4)</u>
Class A Common Stock							600	D	
Class A Common Stock							600	I	See Note <u>(2)</u>
Class A Common Stock							600	I	See Note <u>(3)</u>

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 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)	8. P Deriv Sec (Ins	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V (A) (D)				

Class B Common Stock	(5)				(5)	(5)	Class A Common Stock	45,000
Class B Common Stock	(5)	11/10/2006		C <sup>(1)</sup>	31,500	(5)	Class A Common Stock	31,500
Class B Common Stock	(5)	11/13/2006		C	43,500	(5)	Class A Common Stock	43,500
Class B Common Stock	(5)					(5)	Class A Common Stock	23,074
Class B Common Stock	(5)					(5)	Class A Common Stock	23,074

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHNITZER MARDI 3200 NW YEON AVENUE PORTLAND, OR 97210			X	

## Signatures

Richard C. Josephson,  
Attorney-in-Fact

11/14/2006

\*\*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).

- Converted through exchange with another Schnitzer family member of voting trust certificates representing 31,500 shares of Class B
- (1) Common Stock for 31,500 shares of Class A Common Stock consistent with the terms of the Schnitzer Steel Industries, Inc. 2001 Restated Voting Trust and Buy-Sell Agreement.
  - (2) Shares held by Mardi S. Spitzer, as custodian under Oregon Uniform Transfers to Minors Act F/B/O David R. Lippman.
  - (3) Shares are held by Mardi S. Spitzer, as custodian under Oregon Uniform Transfers to Minors Act F/B/O Marc A. Lippman.
  - (4) Voting trust certificates or shares, as the case may be, are held by Mardi S. Schnitzer Family Trust U/A/D 9/17/97, Mardi S. Spitzer, Trustee (the "Mardi Trust").
  - (5) Class B Common Stock is immediately convertible on a one-for-one basis into Class A Common Stock and has no expiration date.
  - (6) Voting trust certificates or shares, as the case may be, are held by Mardi Spitzer, Trustee for Mardi Spitzer, et al, under Trust Agreement dated January 30, 1970.
  - (7) Voting trust certificates or shares, as the case may be, are held by Mardi S. Spitzer, Family Trustee, and Rita S. Philip and Gayle S. Romain, Independent Trustees, U/A/D December 22, 1994 F/B/O David R. Lippman.
  - (8)

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Voting trust certificates or shares, as the case may be, are held by Mardi S. Spitzer, Family Trustee, and Rita S. Philip and Gayle S. Romain, Independent Trustees, U/A/D December 22, 1994 F/B/O Marc A. Lippman.

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.