

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

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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.

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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... Der... 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 ⁽¹⁾ | 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.