

SCHNITZER STEEL INDUSTRIES INC  
 Form 4  
 November 14, 2006

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**LEWIS SCOTT**

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)

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

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

**3200 NW YEON AVENUE**

(Street)

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

**PORTLAND, OR 97210**

(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 (Instr. 8) | 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 Ownership (Instr. 4) |                         |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |                         |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |                         |
| Class A Common Stock            | 11/10/2006                           |  | C <sup>(1)</sup>               | 31,500  | D   | \$ 0   | 84,645                            | D                       |
| Class A Common Stock            | 11/10/2006                           |  | C <sup>(2)</sup>               | 8,500   | D   | \$ 0   | 76,145                            | D                       |
| Class A Common Stock            |                                      |  |                                |   |   |  | 1,377.953                         | I                       |
|                                 |                                      |  |                                |   |   |  |                                   | See Note <sup>(3)</sup> |

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... |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                         | Amount or Number of Shares |
| Class B Common Stock                       | (4)  | 11/10/2006                           |  | C(1)                           | 31,500  | (4)  | (4)   | Class A Common Stock          | 31,500                     |
| Class B Common Stock                       | (4)  | 11/10/2006                           |  | C(2)                           | 8,500   | (4)  | (4)   | Class A Common Stock          | 8,500                      |

## Reporting Owners

| Reporting Owner Name / Address                           | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| LEWIS SCOTT<br>3200 NW YEON AVENUE<br>PORTLAND, OR 97210 | X             | 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).

(1) Converted through exchange with another Schnitzer family member of 31,500 shares of Class A Common Stock for voting trust certificates representing 31,500 shares of Class B Common Stock consistent with the terms of the Schnitzer Steel Industries, Inc. 2001 Restated Voting Trust and Buy-Sell Agreement.

(2) Converted through exchange with another Schnitzer family member of 8,500 shares of Class A Common Stock for voting trust certificates representing 8,500 shares of Class B Common Stock consistent with the terms of the Schnitzer Steel Industries, Inc. 2001 Restated Voting Trust and Buy-Sell Agreement.

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- (3) Deferred Shares that have been or will be credited to the reporting person's account under the issuer's Deferred Compensation Plan for Non-Employee Directors.
- (4) Class B Common Stock is immediately convertible on a one-for-one basis into Class A Common Stock and has no expiration date.

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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