

SCHNITZER GREGORY
 Form 4
 July 23, 2009

FORM 4

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

OMB APPROVAL

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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 GREGORY

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)
 07/23/2009

____ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|---------------------|---|---|------------|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | | | |
| Class A Common Stock | 07/23/2009 | | S | | 500 | D | \$ 53 | 7,808 | D |
| Class A Common Stock | 07/23/2009 | | S | | 500 | D | \$ 53.01 | 7,308 | D |
| Class A Common Stock | 07/23/2009 | | S | | 500 | D | \$ 53.02 | 6,808 | D |
| Class A Common | 07/23/2009 | | S | | 600 | D | \$ 53.03 | 6,208 | D |

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| | | | | | | | |
|----------------------------|------------|---|-----|---|-------------|-------|---|
| Stock | | | | | | | |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.04 | 6,108 | D |
| Class A Common Stock | 07/23/2009 | S | 400 | D | \$ 53.05 | 5,708 | D |
| Class A Common Stock | 07/23/2009 | S | 300 | D | \$ 53.06 | 5,408 | D |
| Class A Common Stock | 07/23/2009 | S | 300 | D | \$ 53.07 | 5,108 | D |
| Class A Common Stock | 07/23/2009 | S | 300 | D | \$ 53.08 | 4,808 | D |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.09 | 4,708 | D |
| Class A Common Stock | 07/23/2009 | S | 500 | D | \$ 53.11 | 4,208 | D |
| Class A Common Stock | 07/23/2009 | S | 300 | D | \$ 53.12 | 3,908 | D |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.13 | 3,808 | D |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.14 | 3,708 | D |
| Class A Common Stock | 07/23/2009 | S | 200 | D | \$ 53.15 | 3,508 | D |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.18 | 3,408 | D |
| Class A Common Stock | 07/23/2009 | S | 100 | D | \$ 53.2 | 3,308 | D |

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**

SEC 1474
(9-02)

required to respond unless the form displays a currently valid OMB control number.

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. Price of Derivative Security (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Class B Common Stock | (1) | | | | | (1) (1) | Class A Common Stock | 55,233 |

Reporting Owners

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

Signatures

Richard C. Josephson,
Attorney-In-Fact

07/23/2009

__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) 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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