

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
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|   |   |   |
|---|---|---|
| 1. Name and Address of Reporting Person*<br><u>PHILIP ROBERT W</u><br><br>(Last) (First) (Middle)<br><u>3200 NW YEON AVENUE</u><br><br>(Street)<br><u>PORTLAND</u> <u>OR</u> <u>97210</u><br><br>(City) (State) (Zip) | 2. Issuer Name <b>and</b> Ticker or Trading Symbol<br><u>SCHNITZER STEEL INDUSTRIES INC [ SCHN ]</u><br><br>3. Date of Earliest Transaction (Month/Day/Year)<br><u>12/13/2005</u><br><br>4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director <u>X</u> 10% Owner<br><br>Officer (give title below) Other (specify below)<br><br><u>X</u> Form filed by One Reporting Person<br><u>X</u> Form filed by More than One Reporting Person |
|---|---|---|

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |
| Class A Common Stock            |                                      |  |                                |   |   |            |       | 252,477   | D <sup>(1)</sup>   |   |
| Class A Common Stock            |                                      |  |                                |   |   |            |       | 150   | I  | See Note <sup>(2)</sup>                               |
| Class A Common Stock            |                                      |  |                                |   |   |            |       | 14,805  | I  | By Trust <sup>(7)</sup>                               |

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 Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V |  | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Class B Common Stock                       | (3)  | 12/13/2005                           |  | G                              | V | 336  | (3)  | (3)             | Class A Common Stock  | 336                        | \$0  | 380,436  | I   | By Voting Trust <sup>(4)</sup>                         |
| Class B Common Stock                       | (3)  | 12/13/2005                           |  | G                              | V | 336  | (3)  | (3)             | Class A Common Stock  | 336                        | \$0  | 52,844   | I   | By Voting Trust <sup>(5)</sup>                         |
| Class B Common Stock                       | (3)  | 12/13/2005                           |  | G                              | V | 336  | (3)  | (3)             | Class A Common Stock  | 336                        | \$0  | 13,563   | I   | By Voting Trust <sup>(6)</sup>                         |
| Class B Common Stock                       | (3)  | 12/13/2005                           |  | G                              | V | 336  | (3)  | (3)             | Class A Common Stock  | 336                        | \$0  | 207,695  | I   | By Voting Trust <sup>(7)</sup>                         |
| Class B Common Stock                       | (3)  | 12/13/2005                           |  | G                              | V | 594  | (3)  | (3)             | Class A Common Stock  | 594                        | \$0  | 207,101  | I   | By Voting Trust <sup>(7)</sup>                         |
| Class B Common Stock                       | (3)  |                                      |  |                                |   |  | (3)  | (3)             | Class A Common Stock  | 44,048.83                  |  | 44,048.83  | I   | By Voting Trust <sup>(8)</sup>                         |

|   |  |
|---|--|
| 1. Name and Address of Reporting Person*<br><u>PHILIP ROBERT W</u><br><br>(Last) (First) (Middle)<br><u>3200 NW YEON AVENUE</u><br><br>(Street)<br><u>PORTLAND</u> <u>OR</u> <u>97210</u><br><br>(City) (State) (Zip) | 1. Name and Address of Reporting Person*<br><u>PHILIP RITA S</u> |
|---|--|

|                     |         |          |
|---------------------|---------|----------|
| (Last)              | (First) | (Middle) |
| 3200 NW YEON AVENUE |         |          |
|                     |         |          |
| (Street)            |         |          |
| PORTLAND            | OR      | 97210    |
|                     |         |          |
| (City)              | (State) | (Zip)    |

Explanation of Responses:

- 1. Shares acquired in May 2006 pursuant to exercises of stock options.
- 2. Shares are held by Robert W. Philip, as custodian under Oregon Uniform Transfers to Minors Act, F/B/O Joshua Henry Philip.
- 3. Class B Common Stock is immediately convertible on a one-for-one basis into Class A Common Stock and has no expiration date.
- 4. Voting trust certificates or shares, as the case may be, are held by Rita S. Philip and Robert W. Philip, as Co-Trustees under Trust Agreement with Rita S. Philip dated 4/21/93 (the "Rita Trust").
- 5. Voting trust certificates or shares, as the case may be, are held by Rita S. Philip, Family Trustee, and Jill Schnitzer Edelson, Independent Trustee, U/A/D December 22, 1994, F/B/O Joshua Henry Philip.
- 6. Voting trust certificates or shares, as the case may be, are held by Rita S. Philip, Family Trustee, and Jill Schnitzer Edelson, Independent Trustee, U/A/D December 22, 1994, F/B/O Michele Babette Philip.
- 7. Voting trust certificates or shares, as the case may be, are held by Gayle S. Romain and Rita S. Philip, Trustees of Gayle S. Romain Family Trust U/A/D October 9, 1995.
- 8. Voting trust certificates or shares, as the case may be, are held by PFS Investors, LLC, of which the Rita Trust is a member. The number of shares is one-sixth of the total shares held by PFS Investors, LLC, consistent with the proportionate interest of the Rita Trust.

Remarks:

Robert W. Philip10/03/2006

Rita S. Philip10/03/2006

\*\* Signature of Reporting PersonDate

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

\* 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).

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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