

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>SCHNITZER MARDI</u> (Last) (First) (Middle) <u>3200 NW YEON AVENUE</u> (Street) <u>PORTLAND</u> <u>OR</u> <u>97210</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SCHNITZER STEEL INDUSTRIES INC [SCHN]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>11/10/2006</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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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	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 Stock	11/13/2006		Z	V	43,500	A	\$0	75,000	I	By Trust ⁽⁴⁾
Class A Common Stock	11/13/2006		S		12,200	D	\$40.0626	62,800	I	By Trust ⁽⁴⁾
Class A Common Stock	11/13/2006		S		7,400	D	\$40.0027	55,400	I	By Trust ⁽⁴⁾
Class A C ommon Stock	11/13/2006		S		500	D	\$40.0154	54,900	I	By Trust ⁽⁴⁾
Class A Common Stock	11/13/2006		S		13,400	D	\$40.0054	41,500	I	By Trust ⁽⁴⁾
Class A Common Stock	11/13/2006		S		10,000	D	\$40.0236	31,500	I	By Trust ⁽⁴⁾
Class A Common Stock								600	D	
Class A Common Stock								600	I	See Note ⁽²⁾
Class A Common Stock								600	I	See Note ⁽³⁾

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	(5)						(5)	(5)	Class A Common Stock	45,000		45,000	I	By Trust ⁽⁶⁾

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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Class B Common Stock	(5)	11/10/2006		C ⁽¹⁾			31,500	(5)	(5)	Class A Common Stock	31,500	\$0	319,533	I	By Voting Trust ⁽⁴⁾
Class B Common Stock	(5)	11/13/2006		C			43,500	(5)	(5)	Class A Common Stock	43,500	\$0	276,033	I	By Voting Trust ⁽⁴⁾
Class B Common Stock	(5)							(5)	(5)	Class A Common Stock	23,074		23,074	I	By Voting Trust ⁽⁷⁾
Class B Common Stock	(5)							(5)	(5)	Class A Common Stock	23,074		23,074	I	By Voting Trust ⁽⁸⁾

Explanation of Responses:

1. Converted through exchange with another Schnitzer family member of voting trust certificates representing 31,500 shares of Class B 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. 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.

Remarks:

Richard C. Josephson,

Attorney-in-Fact

11/14/2006

** Signature of Reporting Person
 Date

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.

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 Number.