

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Estimated average burden  
hours per response: 0.5

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

1. Name and Address of Reporting Person * <u>LEWIS SCOTT</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 <b>and</b> 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)  <input checked="" type="checkbox"/> 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	
--	--	--	---	--	--	--

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 <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>

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	(4)	11/10/2006		C <sup>(1)</sup>		31,500		(4)	(4)	Class A Common Stock	31,500	\$0	31,500	I	By Voting Trust
Class B Common Stock	(4)	11/10/2006		C <sup>(2)</sup>		8,500		(4)	(4)	Class A Common Stock	8,500	\$0	40,000	I	By Voting Trust

Explanation of Responses:

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.
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.

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.