

SCHNITZER STEEL INDUSTRIES INC
 Form 4
 April 10, 2007

FORM 4

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

OMB APPROVAL

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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 *
PHILIP MICHELE BABETTE

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

SCHNITZER INVESTMENT CORP., 1211 SW FIFTH AVENUE, SUITE 2250

(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 97204

(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) | (A) or (D) | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|---|
| Class A Common Stock | 11/10/2006 | | C | 30,000 | A | \$ 0 30,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40 29,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.006 28,000 | I | By Voting Trust |

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| | | | | | | | | | |
|----------------------------|------------|--|---|-------|---|--------------|--------|---|--------------------|
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.223 | 27,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.244 | 26,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.352 | 25,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.443 | 24,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.572 | 23,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.39 | 22,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.11 | 21,000 | I | By Voting Trust |
| Class A Common Stock | 11/15/2006 | | S | 1,000 | D | \$ 40.055 | 20,000 | I | By Voting Trust |
| Class A Common Stock | 11/22/2006 | | S | 709 | D | \$ 41 | 19,291 | I | By Voting Trust |

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

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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 | <u>(1)</u> | 11/10/2006 | C | 30,000 | <u>(1)</u> | <u>(1)</u> | Class A Common Stock 30,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|--------------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| PHILIP MICHELE BABETTE SCHNITZER INVESTMENT CORP. 1211 SW FIFTH AVENUE, SUITE 2250 PORTLAND, OR 97204 | | X | | |

Signatures

/s/Michel e Babette
Philip 02/02/2007

**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.

Remarks:

The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

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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