

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)	
			Code	V	Amount	Price			
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							Class A	
Common	<u>(1)</u>	11/10/2006	C	30,000	<u>(1)</u>	<u>(1)</u>	Common	30,000
Stock							Stock	

## 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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