

SCHNITZER STEEL INDUSTRIES INC
 Form 4
 May 16, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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 ROBERT W

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)
05/12/2006

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

3200 NW YEON AVENUE

(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 97210

(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) | 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 or Price | | |
| Class A Common Stock | 05/12/2006 | | M | | \$ 54,000 | D | |
| Class A Common Stock | 05/12/2006 | | M | | \$ 4.5 98,940 | D | |
| Class A Common Stock | 05/12/2006 | | M | | \$ 4.6667 123,240 | D | |
| Class A Common | 05/15/2006 | | M | | \$ 8.3333 210,900 | D | |

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Stock

| | | | | | | | | |
|----------------------------|------------|---|--------|---|--------------|---------|---|-----------------|
| Class A Common Stock | 05/16/2006 | M | 29,577 | A | \$ 8.0833 | 240,477 | D | |
| Class A Common Stock | 05/16/2006 | M | 12,000 | A | \$ 12 | 252,477 | D | |
| Class A Common Stock | | | | | | 150 | I | See Note (1) |
| Class A Common Stock | | | | | | 14,805 | I | By Trust (2) |

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

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SEC 1474
(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. Amount or Number of Shares |
|---|--|---|---|--------------------------------------|--|--|---|--|
| Option to Buy | \$ 8.3333 | 05/15/2006 | | M | 87,660 | (3) 05/17/2006 | Class A Common Stock | 87,660 |
| Option to Buy | \$ 8.0833 | 05/16/2006 | | M | 29,577 | (3) 05/17/2006 | Class A Common Stock | 29,577 |
| Option to Buy | \$ 4.6667 | 05/12/2006 | | M | 24,300 | (3) 05/17/2006 | Class A Common Stock | 24,300 |
| Option to Buy | \$ 4.5 | 05/12/2006 | | M | 44,940 | (3) 05/17/2006 | Class A Common Stock | 44,940 |

| | | | | | | | | |
|---------------|-----------|------------|---|--------|-----|------------|----------------------|--------|
| Option to Buy | \$ 5.9167 | 05/12/2006 | M | 54,000 | (3) | 05/17/2006 | Class A Common Stock | 54,000 |
| Option to Buy | \$ 12 | 05/16/2006 | M | 12,000 | (3) | 05/17/2006 | Class A Common Stock | 12,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| PHILIP ROBERT W 3200 NW YEON AVENUE PORTLAND, OR 97210 | | X | | |
| PHILIP RITA S 3200 NW YEON AVENUE PORTLAND, OR 97210 | | X | | |

Signatures

/s/Robert W.
Philip 05/16/2006

**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) Shares are held by Robert W. Philip, as custodian under the Oregon Uniform Transfers to Minors Act, F/B/O Joshua Henry Philip
- (2) 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
- (3) Immediate

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.