

SCHNITZER STEEL INDUSTRIES INC  
 Form 4  
 May 16, 2006

**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 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)  
 3200 NW YEON AVENUE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/12/2006

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

PORTLAND, OR 97210

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

(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 5.9167	D	
Class A Common Stock	05/12/2006		M		\$ 44,940 4.5	D	
Class A Common Stock	05/12/2006		M		\$ 24,300 4.6667	D	
Class A Common	05/15/2006		M		\$ 87,660 8.3333	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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(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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
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.