SCHNITZER GARY

Form 4

October 30, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287

OMB APPROVAL

Number:

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obligations may continue. See Instruction

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

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading SCHNITZER GARY Issuer Symbol SCHNITZER STEEL INDUSTRIES (Check all applicable) INC [SCHN] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner X_ Officer (give title Other (specify (Month/Day/Year) below) 3200 NW YEON AVENUE 10/28/2008 **Executive Vice President** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) Form filed by One Reporting Person X_ Form filed by More than One Reporting PORTLAND, OR 97210 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

		Table	7. 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficiary Owned						
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securit	ies Acqu	uired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transaction(A) or Disposed of			Securities	Form: Direct	Indirect	
(Instr. 3)	• •	any	Code	(D)	•		Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3,	4 and 5)		Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
							Reported		
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Class A				10 276					
Common	10/28/2008		A	10,276	A 5	\$0	19,297	D	

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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8. Price of Derivativ Security (Instr. 5)

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. Transacti Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and A Underlying S (Instr. 3 and	Securities	8 1 2 (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Class B Common Stock	<u>(2)</u>					(2)	(2)	Class A Common Stock	25,333	

Reporting Owners

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
SCHNITZER GARY 3200 NW YEON AVENUE PORTLAND, OR 97210		X	Executive Vice President				
WILDER SANDRA 3200 NW YEON AVENUE PORTLAND, OR 97210		X					
Signatures							

Signatures

Richard C. Josephson, Attorney-In-Fact

**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 issuable as a result of satisfaction of performance goals for fiscal years 2006-2008 under a performance share award. Compensation committee certification of the award payout level occurred on the transaction date.
- (2) Class B Common Stock is immediately convertible on a one-for-one basis into Class A Common Stock and has no expiration date.
- (3) Voting trust certificates or shares, as the case may be, are held by Gary A. Schnitzer and Deborah Novack, Trustees, Gary A. Schnitzer Family Trust dated May 15, 1991.

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.

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