



FRAME POLICY PAPER · TITLE VII, SUBTITLE A, PART 1

AMERICAN STEEL FOR AMERICAN ROADS ACT

The Act dedicates the federal revenue collected from tariffs and duties on imported steel and iron to the Highway Trust Fund — converting an existing revenue stream into a standing, automatic deposit, in place of the episodic General Fund transfers that have sustained the Fund since 2008.

FRAME Policy Paper — American Steel for American Roads Act · Title VII, Subtitle A, Part 1 (Secs. 701–702)

For more information and full legislation, go to frameformobility.org

CONTENTS

I	The Problem	II	The Proposed Solution	III	The Legislative Proposal
IV	The Data Case	V	Sources & Colophon		

PART I

THE PROBLEM

The Highway Trust Fund no longer pays for itself. Under the Congressional Budget Office’s February 2026 baseline for the Fund’s accounts, the Mass Transit Account is exhausted in fiscal year 2027 and the Highway Account in fiscal year 2028; the cumulative shortfall by 2036 is approximately \$295 billion. The Fund’s own receipts — principally the federal fuel taxes — no longer cover the commitments Congress has charged against them, and the difference is structural, not cyclical: it widens every year of the baseline.

Since 2008, the gap has been closed not by the Fund’s revenue design but by roughly \$275 billion of General Fund transfers, each enacted after the fact and each requiring its own legislative act. Solvency by exception has consequences beyond the arithmetic. A fund balanced by episodic rescue cannot offer states and transit agencies a stable planning horizon; every transfer is debated on its own politics rather than on the Fund’s condition, and the question is never settled — only postponed to the next exhaustion date, which the baseline now places inside the current authorization period.

At the same time, federal revenue with a direct material relationship to the Fund’s purpose flows, by default, somewhere else. Tariff collections are not assigned to any program: the Congressional Research Service states the default plainly — they “are put in the general fund of the U.S. Treasury and are not allocated to a specific fund.” Among those collections are the duties on imported steel and iron levied since 2018 — revenue drawn from the primary material input of the bridges, rails, and reinforced structures the Highway Trust Fund exists to finance. No provision of current law connects the two. The problem this Act addresses is therefore narrow and specific: a real, existing, automatically collected revenue stream with a defined relationship to surface transportation is, by statutory silence, unavailable to the fund that needs it.

FY2027 Mass Transit Account exhausted — CBO baseline, Feb 2026	FY2028 Highway Account exhausted — CBO baseline, Feb 2026	~\$295B Cumulative HTF shortfall by 2036 — CBO baseline	\$275B General Fund transfers into the HTF since 2008 — CBO
--	---	---	---

PART II

THE PROPOSED SOLUTION

The solution takes money the federal government already collects and sends it to a different account. Every dollar raised by the tariffs on imported steel and iron would be deposited into the Highway Trust Fund instead of the Treasury’s general fund — automatically, as it is collected, under a standing rule that needs no further vote, no annual appropriation, and no emergency legislation when the Fund runs low.

Nothing else changes. The tariffs themselves are untouched: the same goods, at the same rates, collected the same way at the border. No driver, importer, or agency takes on a new form, a new payment, or a new obligation. The deposit is simply measured by what the tariffs actually bring in — so it rises and falls with trade, and if the tariffs themselves were ever lifted, the deposit would end with them. There is no forecast to miss and no promised figure to fall short of; the Fund receives what is collected, when it is collected.

What this buys is a change of kind, not just of amount. In place of solvency by exception — a rescue negotiated each time the Fund approaches empty — the Fund gains a continuous, visible contribution to its balance that transportation agencies can see and plan against. The proposal does not claim to close the whole gap, and it is not presented as doing so. It is one span of a bridge: this Title pairs it with a transitional charge on the vehicles the fuel tax cannot reach, and with a tested long-term replacement for the fuel tax itself. The steel dedication is the span that can be built first, out of material already on hand.

WHAT DOES NOT CHANGE

- The tariffs.** Same goods, same rates, collected the same way at the border.
- Anyone’s obligations.** No new form, payment, or reporting duty for drivers, importers, or agencies.
- The measure.** The deposit is what the tariffs actually collect — nothing is promised beyond it.

THE LEGISLATIVE PROPOSAL

Part 1 of Subtitle A is a named Act in its own right: **Sec. 701** provides that it “may be cited as the ‘American Steel for American Roads Act’.” Its entire operative content is a single section, **Sec. 702**, and that section does one thing: it dedicates a revenue stream that the federal government already collects to the Highway Trust Fund, permanently and automatically.

The mechanism has four working parts. First, an override: the dedication operates “notwithstanding any other provision of law” — the default rule, under which customs duties flow to the general fund of the Treasury, is displaced for this stream. Second, a measure: the amount deposited equals the revenues collected from the specified tariffs — the dedication is measured by actual collections, not by an appropriated figure. Third, a defined stream: tariffs and duties on articles of steel and iron imported into the United States under section 232 of the Trade Expansion Act of 1962 (**19 U.S.C. 1862**) — the national-security tariff authority under which steel duties have been levied since 2018. Fourth, a destination: the Highway Trust Fund itself.

WHAT CHANGES AGAINST CURRENT LAW

Under current law, nothing connects this revenue to surface transportation. The Highway Trust Fund has been sustained since 2008 not by its own receipts but by roughly \$275 billion of General Fund transfers enacted after the fact, each requiring its own legislative act. Section 702 replaces that pattern, for this one stream, with a standing rule: the money moves as it is collected, without further legislation. What the section does not do is equally part of the proposal. It sets no rate — the size of the stream is whatever the underlying section 232 duties produce. It contains no estimate of yield, no sunset, and no division of the deposit between the Fund’s Highway Account and Mass Transit Account; on each of those points the bill is silent, and this paper does not fill the silence.

The operative language is **Sec. 702**, quoted in full:

SEC. 702 – DEDICATION OF STEEL AND IRON TARIFF REVENUE

“Notwithstanding any other provision of law, the Secretary of the Treasury shall deposit into the Highway Trust Fund an amount equivalent to the revenues collected from tariffs and duties imposed on articles of steel and iron imported into the United States under the authority of section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862).”

Three features of the drafting carry the policy. The verb is mandatory — “shall deposit” — so the transfer is a rule of law, not an authorization awaiting appropriation. The deposit is of “an amount equivalent to” collections, which ties the Fund’s receipt to measured revenue rather than to a forecast. And the stream is defined by the tariff authority rather than by named products, so the dedication follows the section 232 steel program as it exists from time to time — expanding or contracting with it, and expiring in effect if the underlying duties do. That linkage is the Act’s strength and its exposure, and the data case below takes it in that order.

THE DATA CASE

A dedication is worth enacting only if the stream behind it is real. The question the data answers is narrower than solvency: what this stream has actually yielded, and what kind of revenue it is. The collections are a matter of record. U.S. Customs and Border Protection assessed \$4.3 billion in section 232 steel duties in the measure’s first eleven months alone (Congressional Research Service, reporting CBP data to February 2019), and CBP collections of section 232 steel tariffs were \$1.3 billion in fiscal year 2020, bringing cumulative steel collections to approximately \$7.5 billion by early 2021. CBP’s more recent trade-remedy assessments put steel collections at \$2.61 billion in fiscal year 2022, \$1.57 billion in fiscal year 2023, and \$1.22 billion in fiscal year 2024.

\$4.3B Section 232 steel duties assessed in the first 11 months — CRS / CBP, to Feb 2019	\$2.61B Steel collections, fiscal year 2022 — CBP	\$1.57B Steel collections, fiscal year 2023 — CBP	\$1.22B Steel collections, fiscal year 2024 — CBP
--	---	---	---

Two conclusions follow. The stream is real money, in the low single-digit billions per year — material against individual programs, though an order of magnitude below the structural shortfall set out in Part I. And it is a declining stream: collections have fallen by more than half since fiscal year 2022, moving with import volumes, exclusion policy, and trade conditions rather than with the condition of the nation’s roads. Both facts belong in the case for the provision — the first establishes that the dedication is substantive, the second defines the role it can honestly play.

WHY A DEDICATION, ON THE EVIDENCE

Predictability of process, if not of amount. The value of **Sec. 702** is first administrative. A standing deposit rule converts an episodic, negotiated rescue into a continuous flow that transportation agencies can see in the Fund’s balance in real time. The \$275 billion transfer history is the counter-evidence: seventeen years of solvency by exception, each transfer debated on its own politics rather than on the Fund’s arithmetic.

Zero new collection cost. The duties are already assessed and collected by CBP at the border. The dedication adds no taxpayer-facing machinery, no new reporting obligation, and no administrative apparatus beyond a Treasury deposit instruction — a property no other provision in Title VII shares, and one that matters when the comparison in this Title is the collection cost of per-mile charging.

A defined link between material and mission. Steel and iron are primary inputs to the assets the Fund finances. The dedication associates the revenue with the cost base it serves; that association is presentational as much as fiscal, and this paper records it as such rather than as an economic argument.

EVIDENCE CHECK

The honest limits of this provision are three. Its yield is variable and currently declining with trade conditions, so it cannot be programmed against the way fuel-tax receipts once were. No official estimate — from CBO, the Joint Committee on Taxation, or the Treasury — of the dedication’s forward yield exists in the material available to this paper; the figures above are historical collections, not a score of the provision. And measured against a \$295 billion shortfall, the dedication is a contribution to solvency, not a source of it. Read structurally, Title VII treats it that way: Subtitle A pairs this dedication with a user-based transitional fee (**Secs. 703–706**), and Subtitle B builds the long-term replacement. Section 702 is the bridge’s near pier, not the bridge.

PART V

SOURCES & COLOPHON

- FRAME Act, Official Draft (December 15, 2025), Title VII, Subtitle A, Part 1, Secs. 701–702.
- Congressional Budget Office, *Highway Trust Fund Accounts — Baseline Projections* (February 2026): Highway Account balance \$56.4B (2025) → \$14.5B (2027), exhausted FY2028; Mass Transit Account exhausted FY2027; cumulative shortfall by 2036 ≈ \$295B; General Fund transfers since 2008 ≈ \$275B. staging.cbo.gov/system/files/2026-02/51300-2026-02-highwaytrustfund.pdf
- Congressional Research Service, *Trump Administration Tariff Actions (Sections 201, 232, and 301): Frequently Asked Questions* (R45529, 2019): section 232 steel duties assessed of \$4,298 million per CBP data to February 21, 2019; tariff collections default to the general fund of the Treasury.
- U.S. Customs and Border Protection data, as reported by Steel Market Update (February 8, 2021): section 232 steel tariff collections of \$1.3 billion in FY2020; cumulative steel collections of ≈\$7.52 billion since March 23, 2018.
- U.S. Customs and Border Protection, trade remedy assessment data: section 232 steel collections of \$2.61 billion (FY2022), \$1.57 billion (FY2023), and \$1.22 billion (FY2024).

Colophon: Set in Manrope and TeX Gyre Heros in the FRAME Policy Paper design family (Deep Navy #0B1D33 / Steel #5E6E7E / Grid #DFE9F4). © 2026 Institute for Civic Service · FRAME for Mobility.