

Statement of Chairman Sherrod Brown
“Tightening the Screws on Russia: Smart Sanctions, Economic Statecraft and Next Steps”
September 20, 2022

The Committee on Banking, Housing, and Urban Affairs will come to order.

Today’s hearing is in a hybrid format. Our witnesses are in-person, but Members have the option to appear either in-person or virtually.

Vladimir Putin’s war on Ukraine has massacred innocent civilian communities, leveled cities, weaponized food and energy sources, imperiled the security of a nuclear facility, and jeopardized the future of a sovereign democracy.

His actions also threaten global order – drawing a clear distinction between those who stand for democracy and rule of law and the forces of repression and tyranny.

But there are two things that Putin did not count on:

First: the resilience and strength of spirit of the Ukrainian people – which was on clear display last week, when the Ukrainian military retook Kharkiv, Ukraine’s second-largest city.

Second: the ability of President Biden to assemble and lead a broad, unified coalition of allies, and to keep that coalition together.

This administration, with bipartisan and bicameral support from Congress, has spearheaded a forceful, comprehensive, and multilateral response to support the Ukrainian people and isolate Russia.

Today’s hearing examines the economic piece of the administration’s strategy.

This hearing follows on the Committee’s work in evaluating our sanctions policy – as we did last year in a hearing on Treasury’s sanctions review, and at a hearing this past July, where we heard from the Commerce Department on its expansive restrictions on exports to Russia.

Because we are united, our efforts are beginning to work.

As Secretary of State Antony Blinken said the other week, “Putin thought he would divide and weaken NATO.”

But he was wrong. Putin’s actions have led to NATO’s growth – We’re now poised to welcome Sweden and Finland - reminding the world the vital role this alliance of democracies plays.

And America, and increasingly the world, is wise to Russia’s propaganda.

This administration has corralled an unprecedented multilateral coalition, which includes our European partners and other allied countries, to impose one of the most comprehensive sets of economic sanctions in recent years.

Those measures aim to limit trade and financial relations with Russia, to penalize corrupt Russian oligarchs for supporting Vladimir Putin, and to cripple Russia’s economy, cutting off support for funding this brutal and immoral war.

We’ve dramatically escalated this economic effort. And it is impacting every sector –

- Sanctions against a number of major Russian banks and dozens of Russian officials and Putin associates.

- Expanded export controls that restrict Russia’s access to the technologies needed to sustain its aggressive military capabilities.
- Limitations on imports of Russian energy products
- And even the seizure of a \$300 million yacht owned by a sanctioned Russian oligarch.

The impact of our smart and targeted economic measures has rippled throughout the Russian economy, damaging their defense industrial base.

Ukrainian troops have found Russian military equipment rigged with semiconductors that appear to have been taken out of home appliances like dishwashers and refrigerators.

As we pass the six month mark of the war, we welcome back Elizabeth Rosenberg, who serves as Assistant Secretary for Terrorist Financing and Financial Crimes at the U.S. Department of the *Treasury*, and welcome Andrew Adams, Director of the Kleptocapture Task Force at the Department of Justice.

We look forward to hearing from the witnesses about the economic sanctions designed to weaken Russia’s economy and about our efforts to pursue corrupt Russian oligarchs’ assets.

We are making it increasingly difficult for Putin to fund his brutal war in the face of a shrinking Russian economy and its isolation on the global stage.

We must maintain the pressure of our many sanctions regimes and we must keep the coalition intact.

With so much of Russia’s revenue coming from energy sales, I look forward to hearing more from the witnesses today about the intended impact and status of the price cap negotiations.

Just last week I met with a group of Ukrainian Americans from Ohio – my state is proud to have a vibrant, active Ukrainian community – and their message was clear: We “cannot lose the momentum.” We must continue to hold the Russian government and sanctions evaders responsible.

The multilateral coalition, which President Biden assembled, rolled out a sweeping series of rules designed to degrade Russia's military and technological capabilities. We will not let up while Russia continues to threaten the sovereignty of Ukraine.

Ranking Member Toomey.

