

Crapo Statement at Russia Sanctions Hearing

Third in a series of three hearings

September 12, 2018

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, delivered the following remarks during a full committee hearing entitled “Countering Russia: Assessing New Tools.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“The hearing will come to order.

“Let me begin by thanking our witnesses for agreeing to testify this afternoon, and to help the committee gain a better understanding on what might motivate the Russian Federation’s President Vladimir Putin to change his present dangerous and destabilizing course.

“Further to the Administration’s commitment to protecting our nation’s elections from foreign interference, the White House announced this morning a new Executive Order, based on its finding that the ability of foreigners to interfere in US elections is an unusual and extraordinary threat to the national security of the United States.

“The EO is entitled, ‘Imposing Sanctions in the Event of Foreign Interference in a United States Election,’ and requires the Director of National Intelligence to analyze and report on foreign government actions, the AG and Homeland Security to report on whether or not the election was materially affected by any foreign interference and then requires the Secretaries of Treasury and State to impose whatever sanctions they determine appropriate.

“A little bit later, I’m sure we may want to know what the impression of this is from our witnesses.

“Today, the Committee meets for the third time, in as many weeks, on the subject of Russia and President Putin’s aggressive, malign activities directed against the United States, its allies and spheres of influence.

“The hearings we have held so far have centered on the implementation status and the economic and political effectiveness of the existing sanctions architecture on Russia, including an assessment of the Countering America’s Adversaries through Sanction’s Act of 2017, or ‘CAATSA’ as it is now known, and the administration’s use of its own authorities to sanction Russia.

“In the course of those hearings, the Committee also explored the potential for expanding on the existing set of sanctions authorities in order to amplify the economic effects on Russia sufficient to cause a change in Putin’s behavior and strategic calculus.

“In our first hearing, we asked administration officials drawn from the departments of Treasury, State and Homeland Security to testify on the question of whether or not the implementation of existing sanctions against Russia are working to deter or otherwise change Putin’s behavior or strategic calculus with regard to the Kremlin’s complete lack of regard for sovereign territorial integrity and independence of democratic institutions.

“The administration has sanctioned over 230 individuals and entities for violations of congressional and administration sanctions authorities, and further reported that it was stepping up its efforts to defend our nation’s critical infrastructure and aggressively support state and local efforts to secure the 2018 U.S. midterm elections.

“Those targeted include the heads of major state-owned banks and energy companies, many of Putin’s closest associates or oligarchs and several Russian actors for interference in the 2016 elections.

“On the issue of electoral interference, the Homeland Security official reported that malicious cyber operations are not just state-run, not just run by a single actor and remain one of the most significant strategic threats to the United States.

“In our second hearing, a panel of outside experts testified on the same question as the administration, offering their own views on the need for the administration to have a cohesive Russia strategy and implement CAATSA fully, while Congress considers enacting new sanctions legislation.

“The Committee received testimony from the outside experts on the need for new, increased sanctions, since Russia has adapted itself to the current round of sanctions and, in fact, its economy has developed a resilience to the sanctions imposed by the United States and Europe.

“As Rachel Ziembe explained in her testimony from our last hearing, ‘Russia’s economy may not be thriving, but it is surviving.’ And, many analysts believe that situation can exist for a long time.

“Yet, we also received testimony from each witness that a serious amplification of sanctions is fraught with the potential for unacceptable blowback against U.S. and European interests, and our interests in the Middle East and Asia, unless carefully constructed and tied to specific behaviors while appropriate discretion and off-ramps are carefully tailored.

“Sanctions alone are no silver bullet and do not guarantee quick reversals of undesirable behaviors no matter how draconian the sanction, especially since the more draconian the sanction, the more difficult multilateral participation and enforcement become.

“It stands to reason, then, that new sanctions must at least be accompanied by other tools to constrain a large nation like Russia and deter a ruler like Putin from future malign activities.

“I look forward to a broader discussion this afternoon on resisting Putin’s aggression from a broader range of geo-economic and strategic policy options available to the United States and its allies.

“In addition to the sanctions discussed in our previous hearings, what other proposals should Congress and the president be considering to reach a desirable outcome with Russia?

“How susceptible to domestic unrest is Putin’s regime?

“How important is it that the United States and Europe support each other’s Russia strategy, and what would that have to look like?

“We must, as a nation, find that prescription for sanctions and other measures that break the factors contributing to a Russian resilience to economic sanctions and put real pressure on Putin to change his map for Kremlin hegemony.

“Senator Brown.”