

Crapo Statement at Russia Sanctions Hearing

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 “Outside Perspectives on Russia Sanctions: Current Effectiveness and Potential for Next Steps.”

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

“The hearing will come to order.

“The Committee meets today for its second of three hearings on sanctions against the Russian Federation for its malign activities directed against the United States, its allies and spheres of influence.

“I thank our panel of outside expert witnesses today, most of whom are former administration officials, who will help the Committee better understand the current U.S. posture toward Russia.

“Testifying today will be Ambassador Dan Fried, now at the Atlantic Council, but who capped off a 40-year State Department career as the Obama Administration's sanctions coordinator; Stanford Professor Michael McFaul, also at the Hoover Institution, who was U.S. ambassador to the Russian Federation for the two years leading up to Putin's invasion of Crimea, and Heather Conley, now with CSIS, but who was also on the Russia desk in the Bush Administration's State Department.

“Rachel Ziembe, our sole government outsider, now with the Center for New American Security, will share her particular expertise on the interlinkages between economics, finance and security issues, with regard to sanctions, Russia's economic resilience and the role of sovereign wealth in all of this.

“Two weeks ago, current administration witnesses informed the Committee of efforts to implement the Countering America's Adversaries Through Sanctions Act, or ‘CAATSA,’ which was enacted in August 2017 and largely crafted by this Committee, and what political and economic effects of that implementation have had.

“Basically, the administration reported that over the last year it had sanctioned some 230 individuals and entities through its use of CAATSA and its own administrative authorities.

“Those targeted include the heads of major state-owned banks and energy companies, as well as some of Putin's closest associates or oligarchs.

“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.

“Beyond any use of sanctions, which Treasury imposed against several Russian actors for interference in the 2016 elections, Homeland Security further testified that it is working aggressively to support state and local efforts to secure the 2018 elections.

“They also made clear that this work must not only continually evolve, but never become complacent because those seeking to interfere and disrupt are on the cutting edge of technology.

“A number of the members on this Committee, on both sides of the dais, encouraged the administration to do more, and soon.

“Whatever the economic effects of these sanctions have had over the last year, it has escaped no one's attention that Russia is still in Crimea, and the Kremlin still exercises violently destabilizing activities in Ukraine and Syria.

“Moreover, since CAATSA implementation began, Putin has ordered the use of chemical weapons to attack citizens of U.S. allies at home, and continues his efforts to subvert the democracies of the United States and its European allies through complex disinformation campaigns and outright cyberattacks.

“Getting sanctions ‘right’ is a difficult exercise for Congress and the administration alike.

“It took decades for sanctions to take real effect in Iran. And, Putin's Russia is not like Iran or North Korea, for that matter, at least, not in any way other than its penchant for engaging in malicious behaviors at home and abroad.

“In the case of Russia, any constructive use of sanctions is complicated further by the level of Russia's integration into the global economy and all the attendant unintended consequences, contagions and spill-overs that come with it and which threaten to destroy the potential for needed multilateral application of sanctions against an economy like Russia's.

“There is no question that Putin must pay for his actions and that the United States has the ability to impose real costs against Moscow, even as it increases its own defenses against future attacks.

“The only question is how the United States will go about imposing those costs.

“Senator Brown.”