**Crapo Statement at Russia Sanctions Hearing, Part II**

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

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

“This morning, the Committee will receive testimony on the smart use of sanctions to counter Kremlin military incursions in Ukraine, Syria, and its increased reliance on cyber warfare against many nations.

“The Committee met six weeks ago to begin an inquiry into the effectiveness of the United States sanctions regime imposed three years ago against the Russian Federation for its invasion of Crimea, continuing violence and interference in Ukraine, and cyber intrusions against the United States.

“At that hearing, we learned that alone, U.S.-imposed targeted sanctions have had a somewhat limited impact on the economy of the Russian Federation.

“That impact was magnified by the combined effect of sanctions imposed by other western nations coupled with the severe drop in world oil prices.

“It was less clear, however, if the existing sanctions were affecting any change in the aggressive geopolitical calculations that President Putin continues to make.

“Some analysts say that the economic sanctions have had a deterrent effect on Putin pushing even farther into Ukraine territory. That is a good start.

“Others look to Putin’s continued actions in Ukraine and Syria in the weeks since this Committee last met and conclude we should target additional sanctions on the Russian Federation.

“Despite existing U.S. and western sanctions, Putin has not shown any intention to cease his aggressive behavior.

“For the Committee, today’s inquiry is not about punishing the people of the Russian Federation, but rather those responsible for Russia’s misbehavior.

“The goal now is to transform the initial, limited application of financial leverage into the next step of what must become a general campaign to impose real costs that impact Putin’s ability to conduct hostile activities in an already-troubled world.

“A good starting point might include a codification of existing executive orders, and a deepening and broadening of sanctions in certain economic sectors, addressing cyber activity and financial corruption, and making mandatory certain existing discretionary sanctions.

“Vital in all of this is harmonizing the conditions to lift sanctions so that if Putin were to try to reverse course, overlapping or misdirected sanctions would not defeat the potential for meaningful change in Kremlin policy.

“Since sanctions were first imposed three years ago, the Obama administration, the U.S. Congress, and now the Trump Administration have been prepared to impose additional sanctions as circumstances warrant, or until Putin follows through with his commitments to the Minsk ceasefire agreement.

“In fact, several rounds of new designations have been implemented under existing sanctions laws over the last three years.

“Make no mistake, these sanctions currently in place, and those that may yet come, are Putin’s fault and a result of Putin’s confused notions of Russian power and pride.

“Putin is not defending the interests of his people, but is exploiting opportunities to seize neighboring lands by fomenting disorder and seeking to perpetuate Mideast conflict to advance Russia’s military influence.

“America must lead on the issue, since the most successful sanctions result from a united front of U.S. and E.U. cooperation.

“Since the unlawful annexation of Crimea, the years of destabilizing eastern Ukraine through relentless war, the global spread of cyber-intrusions and Putin’s indefensible support of Assad’s leadership of Syria, particularly in light of the recent chemical attack, fewer are left in Europe to defend Putin’s policies.

“The European Union must ask itself if it is prepared to join the United States to take the necessary financial actions in the foreseeable future to deny Putin the resources he needs to take whatever his next steps may be.

“The last thing the European Union, the United States or this Congress can be is divided in the face of Putin’s uncertain path.

“The times call for clarity of purpose, and a correct amount of pressure.

“I thank our witnesses for coming here today to help the committee understand what a next course of action might look like, what the repercussions of taking such action might look like, and how even those may be mitigated.”

###