

Crapo-led panel explores more Russia sanctions

Senate Banking Committee hears from former NATO ambassador, who is critical of Trump's response

Idaho Sen. Mike Crapo wants to ramp up economic sanctions and "impose real costs" on Russian President Vladimir Putin for his country's ongoing military incursions and interference in democratic elections in the United States and Europe.

Crapo is chairman of the Senate Banking Committee, which has jurisdiction over international economic policies that affect the U.S., including economic sanctions.

The committee held a 90-minute hearing Thursday, looking at the effectiveness of past sanctions and options for the future. It was the second hearing on the topic Crapo has scheduled this year.

"This hearing isn't about punishing the Russian people, but rather those responsible for Russia's misbehavior," Crapo said in his opening remarks. "The goal is to transform the (current) limited application of financial leverage into what must become a general campaign to impose real costs that impact Putin's ability to conduct hostile activities."

Former NATO Ambassador Nicholas Burns, who previously served as director of Soviet affairs for President George H.W. Bush, described Russia as "the most dangerous U.S. adversary in the world today."

Putin "is using the power of the Kremlin to undermine American's global interests," Burns testified. "He launched a deliberate assault on our democracy (through Russian cyberattacks during the 2016 election cycle) and is actively contesting democratic elections in several European countries. ... This is a blatant, unprecedented and deadly serious attack on democracy."

Over the last eight years, he noted, Russia also invaded the Ukraine and Georgia, divided Moldova and annexed the Crimean Peninsula in "the first outright theft of a country's sovereign territory since the Second World War."

After the 2014 invasion of the Ukraine, the United States, Canada and the European Union imposed a series of sanctions on Russia. U.S. sanctions were expanded last year by President Barack Obama, in reaction to Russian interference in the 2016 election.

Burns, a strong advocate for increasing the existing sanctions, said President Trump's response to the Russian election hacking "has been extremely disappointing."

"I would say it's been weak," he said. "President Trump has repeatedly questioned the judgment of the FBI and intelligence community. He has taken no initiatives on his own to have the executive branch investigate the allegations. He has failed even to criticize Putin in clear, harsh terms on this or any other issue."

As a career diplomat, Burns said he's "not accustomed to publicly criticizing a president." However, one of the president's fundamental responsibilities is to protect America against foreign aggression. "By not responding to a serious attempt to undermine American democracy," he said, Trump has failed in that duty.

In a telephone interview following the hearing, Crapo said he was a bit surprised by Burns' criticism of Trump.

"The president has agreed to maintain the existing sanctions, although he has the prerogative not to do so," Crapo said. "And he's been critical of Russia's involvement in the Ukraine and engaged in military action in Syria, where Russia is supporting the Assad regime. I think those actions make it clear that he understands the gravity of this."

Unlike a number of congressional hearings, the tenor of Thursday's meeting was almost uniformly bipartisan. More than half the committee members attended the hearing - an indication of strong interest and support - and they were clearly interested in finding a way to discourage Putin's behavior.

"This is an area where there is broad consensus," Crapo said. "There's strong agreement that we need to move forward. The committee is working on legislation. What we're looking at is codifying existing sanctions (which initially were imposed through executive orders) and then incrementally ramping up sanctions on different economic sectors, hopefully in a way that will limit collateral damage."

Chip Poncy, president of the Financial Integrity Network, noted that past sanctions have targeted a handful of powerful oligarchs who support Putin's regime - imposing travel bans and tracking their efforts to hide assets - while others were directed at critical areas of the Russian economy.

The most effective use of sanctions, he said, is when they're done in conjunction with U.S. allies in Europe and Asia. However, the European Union often is reluctant to go along with harsher measures because Russia is a major supplier of oil and natural gas to the region.

"This might be an area where the U.S. needs to provide some cover - for example, by sanctioning any company that invests in Russia's energy sector," Poncy said.

Burns also recommended beefing up the U.S. military presence in Europe and providing arms to the Ukrainian government.

Sen. Elizabeth Warren, D-Mass., offered the only overtly partisan comments during the hearing.

A potential Democratic candidate for president in 2020, Warren noted she is co-sponsoring legislation - together with a number of Republicans - that would prevent President Trump from lifting sanctions on Russia without congressional approval.

"Our intelligence community has determined that Russia engaged in cyberattacks on the U.S. to interfere with our election," she noted. "The FBI is actively investigating connections between Russia and the Trump campaign. Members of the Trump administration have questionable ties to Russia, and there's good reason to believe the president himself has a substantial financial relationship with Russia. If ever there was a time for Congress to serve as a check on any attempts to roll back sanctions, now is the time."

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