

Helsinki Commission Testimony  
“Making Russia Pay: Sovereign Asset Confiscation for Ukrainian Victory”  
December 6, 2023

Chairman Wilson, Senator Cardin, I am honored to testify at today’s hearing and to speak in support of the REPO for Ukraine Act, in support of making Russia pay for its war of aggression against Ukraine.

I want to define in plain language the U.S. national interest in Ukraine. Through World War and Cold War the United States learned, the hard way, that we don’t want dictators marauding around Europe, starting wars of conquest. Russian President Vladimir Putin wants to restore the Russian Empire. He says so. That puts Russia on a course of violence against its neighbors, including America’s friends and allies, because that’s what restoring the Empire means. Ukraine is fighting for its life, its independence, and its place as a free-market democracy, part of an undivided Europe and transatlantic community.

That would be good for the United States. For generations, the goal of U.S. grand strategy – advanced by Democrats and Republicans alike - was to make the world, especially Europe, freer, and more secure, creating conditions under which the U.S. and its friends, what we used to call the Free World, could prosper. Ukraine’s freedom and success in this war helps us.

Much has been said about the recent course of that war. Ukraine’s effort to liberate more of its territory this year did not yield the results that Ukrainians and Ukraine’s friends hoped for. Let’s put this in perspective, however. Russia set out to conquer all of Ukraine. It failed. Ukraine has liberated about half of the territory Russia initially occupied. Ukraine did not liberate much additional territory this year. But Russia also failed to advance much. Ukraine’s deep strikes against Russian military targets have been more successful, for example against the Russian Black Sea Fleet that retreated from Crimea to the Eastern Shore of the Black Sea.

I don’t know how the War will end. But we can be confident that it will not end with a Russian victory parade in Kyiv.

The Russo-Ukraine War may well be longer than we hoped.

Putin is counting on a long war to work to Russia’s advantage, for Western political will to flag, which will give him the opportunity to grind down Ukraine and thus achieve his aims.

Our counter should be to increase the pressure on Russia, to increase military support for Ukraine, and to increase the resources available to sustain Ukraine in its fight for survival. It’s a good investment to defeat Kremlin aggression, and degrade the Russian army, without putting U.S. soldiers at risk. But it takes resources. That is where REPO comes in.

Immediately after the Russian attack in February 2022, G7 governments immobilized Russian sovereign assets in their jurisdiction. Those funds amounted to somewhere around \$300 billion.<sup>1</sup> The move was bold in substance and well executed. G7 leaders have repeatedly pledged that these assets will remain immobilized until Russia pays for the damages stemming from its war of aggression against Ukraine.<sup>2</sup>

That's good. But not good enough. Ukraine needs those assets now. The Administration has requested additional funding for Ukraine. I support that request. But all can see that this funding is being debated. The European Union, which has provided Ukraine with roughly as much support overall as has the United States, is also grappling with how to sustain high levels of support for Ukraine.

Russian assets can and should be used to compensate Ukraine for some of the destruction from the war that Russia started for no good reason. U.S. and European taxpayers might appreciate that. The United States holds only a small portion of the immobilized Russian assets: under \$10 billion, as I understand it. European countries hold the bulk. G7 governments should move together. The EU is debating the issue. The U.S. can show leadership by acting and passing REPO, that provides legal authority for the US to use Russian sovereign assets for Ukraine.

There are arguments against G7 governments taking such a step. One is that it would violate international law to confiscate sovereign assets.

I am neither a lawyer nor a financial expert. That said, the argument that Russia's assets can be repurposed in response to its illegal war under the principle of countermeasures, a case put forth by my fellow witness Yuliya Ziskina<sup>3</sup> and friend and former colleague Phil Zelikow,<sup>4</sup> seems strong. A country that has shown contempt for international law, to the point where its President has been indicted as a war criminal,<sup>5</sup> should not necessarily enjoy the benefit of international legal protections in avoiding consequences of its illegal war.

A second argument is that repurposing Russian sovereign assets to help Ukraine would wreck the international financial system by undermining the credibility of the US and Europe as safe places for funds. That also strikes me as questionable. By immobilizing Russia's sovereign assets, G7 governments showed that they do not regard sovereign assets as untouchable. They crossed that line almost two years ago. Moreover, Treasury Secretary Janet Yellen stated in

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<sup>1</sup>[G7 Finance Ministers and Central Bank Governors' Statement - Consilium \(europa.eu\)](#) and [FACT SHEET: Disrupting and Degrading – One Year of U.S. Sanctions on Russia and Its Enablers | U.S. Department of the Treasury](#) give estimates of \$280 billion and \$300 billion of immobilized Russian assets, respectively.

<sup>22</sup> [G7 Finance Ministers and Central Bank Governors' Statement - Consilium \(europa.eu\)](#), para 3

<sup>3</sup> [The REPO Act: Confiscating Russian State Assets Consistent With U.S. and International Law | Lawfare \(lawfaremedia.org\)](#)

<sup>4</sup> [Lawrence Summers, Philip Zelikow and Robert Zoellick on why Russian reserves should be used to help Ukraine \(economist.com\)](#)

<sup>5</sup> [Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova | International Criminal Court \(icc-cpi.int\)](#)

October that she supports using some of the income generated by immobilized sovereign Russian assets to help Ukraine.<sup>6</sup> It seems to me that if the U.S. supports using some of Russian sovereign assets for Ukraine, it ought to use all the assets that it can.

REPO advances U.S. interests. It makes Russia pay for Russia's war against Ukraine. I hope it becomes law.

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<sup>6</sup> [Remarks by Secretary of the Treasury Janet L. Yellen at Press Conference Ahead of Annual Meetings of the International Monetary Fund and the World Bank Group in Marrakech, Morocco | U.S. Department of the Treasury](#)