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Before the House Foreign Affairs Committee at an October 18, 2023, roundtable titled “Making Putin Pay: The Case for Transferring Russian Sovereign Assets to Ukraine.”

Good morning, members of Congress. It is a privilege to speak to you today to provide my assessment of the bipartisan initiative to grant the president authorities to direct frozen Russian assets to Ukraine so it can rebuild its society. My remarks pertain to policy and geopolitical implications, rather than the legal permissibility. I’ll leave those questions to the trained legal experts.

I will say, however, that Canada, a strong proponent of following international law, has led the way in pursuing this option. Finance Minister Chrystia Freeland said, “We think it's really important to extend our legal authorities because it’s going to be really, really important to find the money to rebuild Ukraine. I can think of no more appropriate source of that funding than confiscated Russian assets.” She also said, “Canada will not be a haven for their ill-gotten gains. . . . It is just and appropriate for Russian assets to be used to help rebuild Ukraine.” Canada’s clarity is significant and commendable.

Belgium, where most frozen Russian central bank assets are held, expects to collect $2.4 billion in taxes on the frozen assets and use them to help reconstruct Ukraine. It is a good start, but the Rebuilding Economic Prosperity and Opportunity for Ukrainians Act (REPO) would permit the United States to access far more than the taxes.

Russia’s unprovoked, unlawful large-scale invasion of Ukraine is in its twentieth month. It is the largest ground war in Europe since the Second World War, following the inception of the US-led world order based on respect for the rule of law, peaceful resolution of conflict, and a respect for territorial integrity.

This was a war of Russia’s choosing. And it has come at an enormous cost to the Ukrainian people. Ukraine’s Office of the Prosecutor General has recorded over 100,000 potential war crimes committed by Russian forces. Russia has engaged in mass abduction of children; tens of thousands of Ukrainian children have been kidnapped and relocated to Russia by the invaders. There is evidence of Russian forces shooting civilians in the back of the head. The invading forces went on a murderous rampage in Bucha, killing more than 400 civilians.

Initially, the Kremlin sought to break apart the NATO alliance and divide Europe. It failed, and
instead, NATO welcomed new member Finland in April and will soon welcome Sweden as the alliance’s thirty-second member. Though Putin was unable to immediately divide the West, Russia now believes it can outlast the West, seeing the high price tags not only for the war effort but for Ukraine’s economy and society. Putin hopes democratic countries tire of arming Ukraine and force Kyiv to concede territory to Russia to end the war.

For US interests and European security, this would be a mistake. Ukraine has succeeded in retaking significant territory and has degraded Russia’s conventional military; according to credible public accounting, Ukraine has destroyed more than 1,500 tanks, 662 armored fighting vehicles, 1,994 infantry fighting vehicles, 216 multiple rocket launchers, 119 surface-to-air missile systems, and 85 aircraft, with many more thousands of military equipment damaged, abandoned, or captured by Ukrainian forces. According to reporting over the last 48 hours Ukraine also destroyed nine Russian military helicopters, an air defense system, and ammunition depots at two airfields in occupied territory.

Ukraine continues to make significant military gains in defense of its country and to restore its territory. And the United States benefits from Ukraine’s battlefield successes as Russia remains a top-tier adversary of the United States. But Putin believes Russia will only need to absorb this high cost until the West grows weary of the cost and ends its support to Ukraine, especially when the cost to rebuild Ukraine is so high.

There are two elements to the REPO bill that I find very promising for affecting Putin’s calculations about his ability to weather the impact of this war and that should set a positive precedent at a time of great global uncertainty when other authoritarian countries are also considering military campaigns against sovereign nations.

1) Confiscating the more than $300 billion in frozen Russian assets. This would require significant ally collaboration as $200 billion is in Europe.

2) The prohibition on release of blocked Russian sovereign assets. This important provision ensures that:

No Russian sovereign asset that is blocked or immobilized by the Department of the Treasury before the date specified in section 104(g) may be released or mobilized until the president certifies to the appropriate congressional committees that hostilities between the Russian Federation and Ukraine have ceased; and full compensation has been made to Ukraine for harms resulting from the invasion of Ukraine by the Russian Federation; or the Russian Federation is participating in a bona fide international mechanism that, by agreement, will discharge the obligations of the Russian Federation to compensate Ukraine for all amounts determined to be owed to Ukraine.

Someone will pay to rebuild Ukraine’s society. Permitting Russia to have its blocked or immobilized assets returned without requiring Russia to compensate Ukraine would be criminal
and undermine the principles international law is meant to uphold—the territorial integrity of the
sovereign nation and compliance with the laws of armed conflict (LOAC) when war does occur.

The American people have been supportive of Ukraine’s defense and extraordinarily patient with
the Biden administration and its failure to articulate a strategy of victory in Ukraine.

The American people have rightfully assessed that it is in the United States’ interest for Ukraine
to prevail on the battlefield and eject the Russian invaders from its territory. But it is too much to
ask the American taxpayer to rebuild the country after the trail of destruction left from Russia’s
aggression, crimes, and corruption. That burden should be on the invaders.

It is my assessment that the Rebuilding Economic Prosperity and Opportunity for Ukrainians Act
(REPO) is sound policy would facilitate just that—forcing Russia to pay for the destruction it
caused.

Thank you for your efforts, oversight, and support for Ukraine and for seeing that it is a vital US
interest that Russia is defeated in Ukraine and compelled to pay to rebuild Ukrainian society.