

IN FOCUS

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Russia's War on Ukraine: U.S. Policy and the Role of Congress

On February 24, 2022, Russia launched a new undeclared war against Ukraine, a country Russia first invaded in 2014 and has partially occupied for almost nine years. The war is Europe's largest armed conflict in decades. Ukraine has successfully waged defensive and counteroffensive operations bolstered by extensive military assistance, chiefly from the United States and Europe. Still, Russia occupies more than 15% of Ukraine's territory and has intensified its attacks on infrastructure nationwide. The war to date is estimated to have led to the deaths of tens of thousands and the forcible displacement of more than 14 million people.

Many observers view the Russia-Ukraine war in the context of Russian President Vladimir Putin's increasingly authoritarian rule, rising neo-imperialism and nationalism, and belief that Ukraine's pro-Western democratic trajectory could undermine his own regime and model of development for Russia. The war follows a number of malign Russian activities abroad, including the 2008 invasion of Georgia, 2014 invasion of Ukraine, 2015 intervention in Syria, 2016 interference in U.S. elections, use of chemical weapons targeting regime opponents, and the deployment of mercenaries in conflicts in the Middle East and Africa.

"The General Assembly ... reaffirms its commitment to the sovereignty, independence, unity and territorial integrity of Ukraine [and] declares that the unlawful actions of the Russian Federation ... have no validity under international law." U.N. General Assembly Resolution ES-11/4, Oct. 12, 2022

The United States, member states of NATO and the European Union (EU), and other partners regard Russia's war against Ukraine as "unprovoked and unjustified." The United States, the EU, and the United Kingdom (UK), among others, have coordinated efforts to impose a series of increasingly more severe sanctions on Russia. They also have provided substantial military and economic aid to Ukraine. To deter further Russian aggression, the United States and NATO also have increased their military presence in Central and Eastern Europe. Congress may consider additional actions and oversight with respect to these and related issues.

Sanctions on Russia

The United States, the EU, other countries in Europe (including the UK, Norway, and Switzerland), Canada, Australia, New Zealand, Japan, and South Korea, among others, have responded to Russia's war on Ukraine with sweeping sanctions. These sanctions expand upon and greatly exceed measures the United States, the EU, and others previously imposed on Russia in response to Moscow's 2014 invasion of Ukraine, interference in 2016 U.S. elections, and other malign activities.

U.S. sanctions since February 2022 include restricting the Russian central bank from drawing on its dollardenominated reserves, prohibiting most major Russian banks from conducting transactions in U.S. dollars or with U.S. persons, and barring new U.S. investment in Russia. The United States also has expanded export controls affecting Russia's access to sensitive or needed U.S.-origin technologies, banned the import of certain goods from Russia, and prohibited Russian use of U.S. airspace and ports. Since February 2022, the United States has imposed economic sanctions on about 1,900 Russian individuals and entities and banned entry into the United States for several thousand Russian officials, military personnel, governmentconnected businesspeople, and others.

In addition to actions taken by the executive branch, the 117th Congress suspended normal trade relations with Russia and its ally Belarus (P.L. 117-110), prohibited the import to the United States of Russian oil and other energy products (P.L. 117-109), and established sanctions on foreign persons who engage in gold transactions with Russia (P.L. 117-263, §5590).

The United States and the EU have closely cooperated in imposing sanctions on Russia, and many EU and other international sanctions are identical or similar to U.S. sanctions. Although the EU has not imposed sanctions on Russian natural gas imports, Russia itself has substantially reduced natural gas flows to Europe and the EU is working to end its dependency on Russian energy imports.

By some metrics, Russia has weathered new sanctions better than many anticipated. Although forecasts in the spring of 2022 suggested Russia's gross domestic product (GDP) would decline by as much as 15% in 2022, the International Monetary Fund estimates a more modest contraction of 2.2%. Russia's oil exports to non-U.S. destinations, initially largely exempt from sanctions, supported its economy for much of 2022. However, the EU ban of seaborne Russian oil and the G7 price cap on Russian oil, implemented in December 2022, have created new fiscal pressures for the Russian government.

Sanctions have created other challenges for Russia, and the economic effects are increasing over time. Russia's financial sector faces losses of hundreds of billions of dollars; the Russian military is having difficulties procuring key components; many Russian factories have suspended production because they cannot access foreign-origin parts; and hundreds of international companies have exited the Russian market. Although the official unemployment rate is less than 4%, outside analysts estimate it is closer to 10%.

Coordinated sanctions on Russia—the 11th largest economy in the world in 2021—also have broader economic implications that may factor into discussions about whether to tighten, maintain, or lift sanctions. U.S. and international companies exiting Russia are facing losses, and some countries such as Brazil, China, India, and Turkey, among others, have increased economic ties with Russia. Sanctions also may contribute to higher energy prices globally, exacerbating inflationary concerns in the United States, Europe, and elsewhere. More broadly, the sanctions may deepen fractures in the global economy and accelerate the efforts of various countries, notably China, to reduce reliance on the U.S. dollar.

Assistance to Ukraine

The United States and allies also have responded to Russia's 2022 invasion with military and economic assistance for Ukraine. In FY2022 and FY2023 to date, Congress has appropriated a total of \$113 billion in Ukraine-related emergency supplemental funds. Of this amount, Congress appropriated approximately \$90 billion for military, economic, and humanitarian assistance to Ukraine and other countries impacted by the war. The remaining \$23 billion is primarily for U.S. European Command operations and related U.S. military support, as well as for other U.S. agency operations (including for sanctions implementation and refugee and entrant assistance).

Donors other than the United States—including governments and multilateral organizations—collectively pledged about \$85 billion in support to Ukraine through November 2022, according to the nongovernmental Kiel Institute for the World Economy. Top non-U.S. donors include the EU and its member states (about \$55 billion), multilateral donors such as the International Monetary Fund and World Bank (about \$17 billion), and the UK (about \$7 billion).

For many countries, future deliberations regarding assistance may reflect efforts to balance robust support for backing Ukraine with concerns about heightened foreign assistance outlays amid a worsened economic climate. Observers have debated the potential consequences of "donor fatigue," as well as the prospects for sustaining current assistance levels and addressing Ukraine's reconstruction needs of potentially \$400 billion or more. Congress may seek to engage the Administration regarding the amount and type of further assistance to Ukraine, as well as current and future oversight of that assistance.

U.S. and NATO Force Posture in Europe

In response to Russia's war against Ukraine, the United States has increased military deployments to Europe and led a broader NATO effort to deter further Russian aggression and to defend NATO allies, particularly in Central and Eastern Europe. Congress has supported the enhanced U.S. force presence and U.S. leadership of NATO defense and deterrence measures. In the 117th Congress, the Senate gave its advice and consent to approve Finland's and Sweden's accession to NATO.

According to the Department of Defense, since February 2022, the United States has deployed or extended about 20,000 additional armed forces to Europe, bringing the total U.S. force posture in Europe, including permanently stationed forces, to approximately 100,000 military personnel. This includes rotational deployment of up to two Brigade Combat Teams (BCTs) in Central and Eastern Europe, deployment of about 10,000 troops to Poland—including 800 soldiers deployed to a U.S.-led NATO battlegroup—about 3,000 troops in Romania, and additional naval and air assets in the region.

The increased U.S. military presence is part of an enhanced NATO defense and deterrence posture in the eastern part of the alliance. Allied troops deployed to the region for the first time in NATO's history after Russia's 2014 invasion of Ukraine. Since February 2022, NATO has expanded its military footprint in the eastern part of the alliance from about 5,000 troops to about 40,000 allied soldiers under direct NATO command. This includes eight multinational battle groups stationed, respectively, in the Baltic states (Estonia, Latvia, and Lithuania), Poland, Slovakia, Hungary, Romania, and Bulgaria.

Some allies, including Poland and the Baltic states, have called for a more robust and permanent NATO military presence in the region. NATO continues to portray its presence as continuous but rotational, and it has focused on enhancing allied readiness to rapidly deploy additional troops to respond to a heightened threat.

Potential Policy Issues for Congress

Related issues that Congress may seek to address could include the following:

- monitoring oversight of U.S. assistance to Ukraine, including the types and disposition of military equipment, and consideration of the U.S. role in contributing to the cost of reconstruction;
- monitoring levels of international assistance and coordination efforts;
- assessing the impact of sanctions on Russia's economy and warfighting capabilities, as well as on the U.S. and global economy;
- identifying conditions under which sanctions could be tightened, maintained, or eased, as well as conditions that could lead to a possible resolution of the war;
- consideration of whether and how to support U.S. firms and allies adversely affected by sanctions;
- addressing U.S. responses to countries that seek closer ties to Russia; and
- consideration of the viability and benefits of sustained European and NATO support for sanctions, assistance to Ukraine, and military deployments in Central and Eastern Europe.



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