

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Hearing on “U.S. Foreign Policy Toward Ukraine”
March 6, 2014**

(As Prepared for Delivery)

Ukraine is facing not one crisis, but several. Its new government is confronting an economic and financial crisis brought on by years of mismanagement and corruption by previous government officials. And it is doing this while under military invasion and economic coercion by neighboring, Russia. The world has been speaking up, sending a clear message: Moscow’s actions over the past week are out of bounds.

The new government in Kiev cannot succeed without strong and rapid support by the international community. Working in close cooperation with our European allies, the U.S. is crafting an immediate assistance package. But this help must be accompanied by fundamental economic reforms if Ukraine is to stabilize its economy. Only Ukrainians can help us help them.

We must also help to ensure that the elections scheduled for May will be free and fair, and reflect the true voice of the Ukrainian people in all regions of a country that is becoming increasingly divided. A successful election is essential to Ukraine’s ability to resolve the many issues it faces and to advance toward democracy, security, and prosperity.

Addressing Ukraine’s energy security must be part of our response. Russia has repeatedly used its supply of natural gas to pressure Ukraine economically and politically, and has announced that it will significantly increase its cost in a deliberate effort to squeeze Ukraine. Fortunately, we have an option to help counter this threat, namely reducing the current impediments to exports of American natural gas to Ukraine. The Administration has it within its power to do this by removing the current bureaucratic obstacles that only empower Putin. They should do so rapidly.

This Committee is working to provide appropriate assistance to all Ukrainian people - but also to pressure Russia to withdraw its forces and cease its efforts to destabilize Ukraine. As part of that effort, immediately following this hearing, we will mark up a resolution that the Ranking Member and I have introduced that condemns Russia’s aggression and outlines these steps.

I strongly encourage the Administration to increase efforts to isolate Russia diplomatically. There is much that should be done, such as introducing a resolution at the UN Security Council that condemns Russian aggression, isolating Moscow.

The Treasury Department should also make clear that the U.S. is on the look-out for

Russian banks that are involved in illicit activities, such as the transfer of stolen Ukrainian assets, especially those banks that are primarily owned by the government and its cronies. Many of us have been calling for action, and this morning the Administration will announce steps it is taking in this area.

But we must remember that the purpose of our pressure on Russia is not simply to punish aggression - and certainly it is not to escalate the confrontation - but instead to move Putin toward a resolution that protects the territorial integrity of Ukraine.

As we look forward, we have with us today three Administration witnesses to answer questions from Members regarding the current situation in Ukraine and the Administration's ongoing efforts to provide assistance to Kiev and pressure Russia.