



Another Way Congress Can Help Ukraine

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Can America continue to support Ukraine? At present, the answer seems far from certain. For weeks, U.S. assistance to Kyiv has been tied up in Congress, a casualty of partisan politics and election-year maneuvering.

Backers of continued aid still hope the logjam will be broken in the coming weeks. That, however, might not end up happening. While a fresh supplemental aid package has already passed the Senate, Speaker Mike Johnson has refused to bring it to a floor vote before the House of Representatives. And continued pressure from vocal members of the House Freedom Caucus, as well as opposition from former President (and presumptive Republican nominee) Donald Trump, may stop him from ever doing so.

For Ukraine, the present gridlock is potentially disastrous. The coming half-year, Ukrainian officials have made clear, represents a “zone of crisis” – one in which shortfalls in ammunition and other vital materiel could pose a real threat to the viability of Kyiv’s continued resistance to Russia’s onslaught. As a practical matter, that means Western aid, even if it does eventually materialize, could do so too late should the tide of battle turn decisively in Moscow’s favor.

However, such a state of affairs isn’t necessarily a foregone conclusion because the United States has other ways of assisting Ukraine.

Most appealing, in this regard, is the approximately \$300 billion in Russian funds now frozen in the West. Those sovereign funds, representing roughly half of Russia’s available foreign exchange reserves, were seized following the Kremlin’s February 2022 invasion of Ukraine. They include more than 200 billion in Euros, roughly 67 billion in U.S. dollars, and 37 billion in British Pounds. And, at least for the moment, these funds remain suspended in multiple jurisdictions, accessible to Western governments but not to Moscow.

For nearly as long, the idea of what to do with these assets has been hotly debated. In the U.S., many have already thrown their weight behind the notion of using them to rebuild Ukraine. Back in November, the House Foreign Affairs Committee voted overwhelmingly in favor of the Rebuilding Economic Prosperity and Opportunity (REPO) for Ukrainians Act, which authorizes the use of Russian assets for the post-war reconstruction necessary as a result of the Kremlin’s full-scale invasion. (The Senate, however, has yet to vote on the bill, and the White House – leery of potential retaliatory action from the Kremlin – hasn’t pressed the issue.)

Now, the Biden administration is starting to look at things differently. At the recent G20 meeting in Sao Paulo, Brazil, Treasury Secretary Janet Yellin urged the international community to swiftly confiscate the frozen Russian funds. “It is necessary and urgent for our coalition to find a way to unlock the value of these immobilized assets,” Yellin argued. Her appeal suggested that the monies could be used for “long-term reconstruction” and for a more immediate purpose: “Continued resistance” to the Kremlin.

Europe has a vote in all this, of course. The vast majority of frozen Russian funds are located in European jurisdictions, and EU officials – citing legal ramifications and commercial considerations – have so far been hesitant to confiscate the funds (although recent weeks have seen movement toward at least escrowing the profits and saving them for Ukraine’s future use.)

But even if Europe doesn’t get on board, the Russian funds accessible to the United States – estimated at some \$5 billion or more – could still provide a near-term infusion of aid for Kyiv if seized promptly and disbursed efficiently. Moreover, such a plan likely won’t raise objections from the many within the Beltway who worry that additional aid to Ukraine would invariably divert resources away from securing the southern U.S. border or risk leaving the U.S. military under-supplied in the event of a hot war with China.

For this to happen, though, the administration needs new Congressional authorities permitting it to confiscate assets belonging to the Russian government and sanction Russian individuals. Once it has that, the White House will have to promptly identify those assets, which range from financial instruments to real property.

From there on out, however, experts I spoke with say that getting the funds into Ukrainian hands, which can be used for purchases that help bolster Kyiv’s defense, would be quick and “mechanically easy.” Moreover, if Congress begins to move in this direction, the European Union – where most of Russia’s frozen assets are located – may be inclined to follow suit, resulting in a dramatically increased flow of aid to Ukraine.

At the end of the day, there is simply no substitute for a robust package of U.S. military and economic aid to ensure Kyiv’s victory. But with what promises a divisive Presidential election on the horizon, the gridlock in Congress could persist for longer than it should. Yet, with some creativity, Congress can activate additional resources that could provide Ukraine with the help it desperately needs – and do so sooner rather than later.