

Ukraine Freedom Support Act of 2014

Background and Key Details

Background: In addition to their deployment of thousands of troops in eastern Ukraine, Russia opened an additional front on the Sea of Azov, which has compelled Kyiv to agree to a ceasefire on terms most favorable to Russia and its proxies. In order to prevent the creation of a frozen conflict that impedes Ukraine's development and ensure Kyiv has appropriate leverage in its negotiations with Moscow, the United States must now impose further costs on Russia and provide more robust assistance to Ukraine, especially in the form of military aid.

Sanctions: This legislation requires the president to impose a minimum of three sanctions on Rosoboronexport and other Russian defense firms that contribute to instability in Ukraine, Moldova, Georgia, and Syria. It requires the president to impose three or more sanctions on companies worldwide that make significant investments in certain types of unconventional Russian crude oil energy projects. If the president determines that Gazprom is withholding significant amounts of natural gas from NATO member-states or countries such as Ukraine, Moldova, or Georgia, he is required to prohibit U.S. persons from investing in or purchasing significant amounts of Gazprom equity or debt.

Moreover, if the president determines that foreign financial institutions have engaged in significant sanctionable transactions related to Russia's defense and energy sectors, he is authorized to prohibit or restrict their dealings with the United States banking system. This legislation also codifies into law Ukraine-related Russia sanctions that have been imposed under Executive Order.

All sanctions are subject to a waiver authority, providing the president with the flexibility to withhold sanctions for national security reasons.

Military Assistance: This legislation authorizes \$350 million in FY 2015 for the president to provide Ukraine with defense articles, defense services, and military training to the Ukrainian government for the purpose of countering offensive weapons and reestablishing the sovereignty and territorial integrity of Ukraine, including anti-tank and anti-armor weapons; crew weapons and ammunition; counter-artillery radars; fire control and guidance equipment; ; surveillance drones; and secure command and communications equipment. The president is required to provide a report to Congress detailing the military assistance to be provided.

Major Non-NATO Ally Status: This legislation designates Ukraine, Moldova, and Georgia as major non-NATO allies, which will facilitate the transfer of military equipment.

Energy, Defense Sector, and Civil Society Assistance: This legislation requires the administration to work with the Ukrainian government to develop a short-term emergency energy assistance plan designed to help Ukraine address a potential fuel and electricity shortage and authorizes \$50 million in FY 2015. The administration is also required to work with the Ukrainian government to develop a longer-term plan to improve Ukraine's energy security and the legislation authorizes \$50 million in FY 2015 - 2017 for this purpose. This legislation also encourages the president to assist entities in the Ukrainian defense sector to reorient exports away from customers in Russia and to find appropriate alternative markets for their products. Finally, the legislation authorizes \$20 million in FY 2015 to strengthen Ukrainian civil society, support independent media, reduce corruption, and increase election-monitoring capacity.

Expanded Broadcasting: This legislation authorizes \$10 million for each of FY 2015 - 2017 to counter Russian propaganda in the countries of the former Soviet Union.