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**ASSISTANT SECRETARY FOR EXPORT ENFORCEMENT MATTHEW S. AXELROD
DELIVERS REMARKS TO THE UKRAINIAN CONGRESS COMMITTEE OF
AMERICA, ILLINOIS DIVISION, ON ENFORCEMENT ACTIONS TO DISRUPT
RUSSIA’S INVASION OF UKRAINE**

Chicago, Illinois – Thursday, April 21, 2022

Remarks as Prepared for Delivery

I’d like to begin with words from the Ukrainian poet and writer, Taras Shevchenko.

*When I am dead, then bury me
In my beloved Ukraine,
My tomb upon a grave mound high
Amid the spreading plain,
So that the fields, the boundless steppes,
The Dnieper's plunging shore
My eyes could see, my ears could hear
The mighty river roar.*

*When from Ukraine the Dnieper bears
Into the deep blue sea
The blood of foes... then will I leave
These hills and fertile fields —
I'll leave them all and fly away
To the abode of God,
And then I'll pray... But till that day
I nothing know of God.*

*Oh bury me, then rise ye up
And break your heavy chains
And water with the tyrants' blood
The freedom you have gained.
And in the great new family,
The family of the free,
With softly spoken, kindly word
Remember also me.*

While these words could have been written just this past week, they're actually from Shevchenko's poem "Zapovit" or "Testament," written in 1845, as later translated by John Weir.

Two years after this poem was written, Shevchenko was criminally convicted. His crime? Advocating for Ukrainian independence from the Russian Empire.

As the famous American writer, Mark Twain, once purportedly said, "History doesn't repeat itself, but it often rhymes."

Thank you to the Ukrainian Congress Committee of America, Illinois Division, for hosting me here today.

It is an honor to be in Chicago – home to what I believe is the second-largest Ukrainian-American community in the United States – to discuss the United States' response to Russia's brutal and unprovoked war against the people of Ukraine and, in particular, to tell you what those of us who enforce our country's export laws are doing to help degrade the Russian military.

I know how deeply personal this is for you and for the Ukrainian-American community as a whole. It's not just another foreign policy issue to be discussed and analyzed. It's a senseless and barbaric attack on your homeland, your relatives, and your friends.

I want you to know that, in your grief and your anger, your federal government stands with you.

One year ago, at the Munich Security Forum, President Biden spoke of being at an "inflection point between those who argue that . . . autocracy is the best way forward . . . and those who understand that democracy is essential."

Today, a little over a year later, we are tragically witnessing this battle between democracy and autocracy in real time.

We are in a global struggle between these two competing worldviews, where autocracies like Russia challenge the rules-based international order to get ahead.

In democracies like the United States and Ukraine, we believe in a government where people get to choose their political leaders, where people are free to voice their opinions and practice their chosen religion, where people choose how they earn a living, where capital flows to the best ideas, where laws and rules govern behavior – not just of the populace but of the government as well. We believe that is the best way to govern.

But countries like Russia reject those democratic values. Vladimir Putin rejects the freedom and the rule of law embraced by the United States and by Ukraine. He violates the international rules-based order by engaging in this unprovoked and barbaric war against his peaceful neighbor.

His military targets and kills civilians. His troops commit war crimes against innocent Ukrainian men, women, and children. Meanwhile, back in Russia, he uses propaganda and censorship to stymie internal dissent and wage disinformation and mass surveillance campaigns against his own people.

The Biden Administration and the Department of Commerce stand with Ukraine, and we are committed to holding Russia accountable. In fact, Commerce Secretary Gina Raimondo is meeting with the Executive Vice President for the European Commission, Valdis Dombrovskis, in Washington, D.C. today to further reaffirm our nation's support.

To that end, the Department of Commerce's Bureau of Industry and Security, where I serve as the Assistant Secretary for Export Enforcement, plays an important role in preventing Russia from obtaining tools of war.

Our mission is to ensure that bad actors like Russia can't get and use sensitive U.S. goods and technologies for destructive or malicious purposes.

In response to Russia's invasion of Ukraine, my Commerce colleague Assistant Secretary Thea Kendler and her team have worked in close coordination with an unprecedented coalition of U.S. allies and partners to impose far reaching export restrictions that limit Russia's ability to obtain the goods and technologies it needs to wage war.

This includes both expansive controls on dual-use items – items that can be used for both civilian and military purposes – in the fields of electronics, marine, and aerospace; controls on oil-field refinery equipment; controls on luxury goods like alcohol and cigarettes; and embargoes on U.S. goods and technologies to specific Russian and Belarusian military groups that are helping Putin wage war.

These stringent and sweeping export controls are designed to cut off Russia's access to the tools of war and undermine its strategic ambitions to exert influence on the world stage.

These expansive controls are not just being imposed by the United States, but also by 37 allies and partners around the globe. The European Union, Japan, Australia, the United Kingdom, Canada, South Korea, New Zealand, Norway, Iceland, Liechtenstein, and Switzerland have all implemented substantially similar restrictions on Russia and Belarus in close coordination with the United States. This powerful international response will have serious consequences for the Russian military and defense sector.

These heightened export controls have had significant impact to date. Since February 24th, when the first new rule came into effect, total U.S. exports to Russia have decreased almost 90 percent compared with the 30 days prior.

We have seen public reporting of Russian defense industries, including tank, space, and unmanned aerial vehicle companies, being unable to obtain the spare parts needed to support warfighting in Ukraine. Chinese telecom company Huawei has suspended all orders in Russia and furloughed part of its staff in the country to avoid U.S. and allied sanctions. Experts predict

that Aeroflot, Russia's leading airline and flag carrier, will soon be unable to sustain even domestic flights due to Boeing and Airbus halting exports of spare parts.

U.S.-based semiconductor companies Intel and AMD have halted all sales to Russia. Microsoft announced that it would suspend sales and support services in Russia in order to maintain compliance with U.S. and international sanctions.

Toyota, Ford, Nissan, Mazda, Volvo, Honda, BMW, and Jaguar Land Rover have also halted or suspended exports to Russia, reflecting the companies' concerns about the possibility of violating U.S. and allied export controls. Heavy equipment manufacturer Caterpillar has halted all production in Russia, and John Deere announced that it would halt all shipments of machinery to Russia and Belarus to ensure compliance.

And while it's good news that most companies have complied with the new controls, we're taking vigorous action against those that don't.

That's where my team comes in. We're the enforcement side of the house. We have 130 federal agents stationed in 30 cities nationwide, including Chicago.

Here's what we've done so far to enforce the new Russia rules.

First, we've put in screening mechanisms to identify all relevant exports to Russia. When someone files paperwork saying they're shipping something that's potentially covered by the new controls, we'll see it and then we can stop it. So far, since the first Russia rule went into effect on February 24, we've prevented 145 shipments worth nearly \$76 million from going to Russia. Included in that total is a jet valued at \$11.6 million that was detained just last week by our Chicago Field Office, in partnership with the Department of Homeland Security, for potential violation of the new controls.

Second, we've publicly identified 176 airplanes that we believe were illegally exported to Russia and an additional 7 airplanes that we believe went illegally to Belarus. By publicly identifying these airplanes, we are putting the world on notice that if they service these aircraft, they are in violation of our laws and do so at their peril.

Two weeks ago, I issued Temporary Denial Orders against three of Russia's biggest airlines. These orders mean that those airlines cannot receive U.S. parts for their airplanes. Over time, Aeroflot, Utair, and Azur Air will be unable to continue flying, either internationally or domestically, as they are now cut off from the international support, and the U.S. parts and related services they need to maintain and support their fleets.

And we have another enforcement action to share today.

This morning, I signed a new temporary order denying export privileges for the Russian airline Aviastar due to ongoing violations of the comprehensive export controls the Commerce Department has imposed on Russia.

This order terminates the right of Aviastar to receive exports of United States items. This is especially important because Aviastar is a cargo carrier, which means that it can no longer access U.S. technology or parts to ferry goods to Russia, including military cargo.

Third, we've put almost 260 companies with Russian defense affiliations on what we call our Entity List, which means that they can't receive U.S. exports without a license (and that those license applications will be denied). These companies include: Russia's two leading indigenous integrated circuit manufacturers; Russian space-based and satellite-based component manufacturers and suppliers; Russian unmanned aerial vehicle manufacturers and suppliers; and Russian shipbuilding factories.

Fourth, we know from data which U.S. companies had been exporting items to Russia prior to the imposition of the new controls and that are now restricted. We're reaching out to these companies both to educate them on the new controls and to make sure they're in compliance with them. We've conducted 412 of those outreaches so far.

And fifth, our staff overseas is regularly conducting physical inspections to make sure that banned items aren't making their way to Russia. These inspections can lead to the imposition of criminal and civil penalties.

That's what we have been doing to prevent exports of controlled items from going to Russia. But what about exports of items that supporters want to send into Ukraine? The team I mentioned earlier that put in the new Russia rules also plays a role in ensuring that Ukraine promptly obtains support for its defense by providing licenses to those who have been collecting body armor and other goods for Ukraine.

Together, our licensing and enforcement teams have been educating the public, including through our agents here in Chicago, on how to submit license applications for such items. And I would urge UCCA members to continue to reach out to Aaron Tambrini, our Special Agent in Charge of our Chicago Field Office, for guidance on those efforts.

Back in Washington, D.C., the licensing team is committed to expediting license applications for the protection and support of Ukraine and the people of Ukraine. We have done so in the recent past and will continue these efforts for as long as necessary.

Thank you, again, for inviting me here today to discuss the critical role of the Commerce Department and our export controls as we work alongside other U.S. government partners to degrade the Russian military for its unprovoked and unwarranted brutality against the Ukrainian people.

Earlier, I quoted from President Biden's speech from last year's Munich Security Forum. Elsewhere in that speech, the president said: "Democracy doesn't happen by accident. We have to defend it, fight for it, strengthen it, renew it. We must prove that our model isn't a relic of our history; it's the single best way to revitalize the promise of our future. And if we work together with our democratic partners, with strength and confidence, I know that we'll meet every challenge and outpace every challenger."

The United States government now stands with the people of Ukraine to meet the current and existential challenge to their democracy.

Let me close on a personal note. This past weekend, I gathered with my family to observe the Jewish holiday of Passover.

Passover is the time of year where Jews the world over, for thousands of years, in peacetime and in wartime, in homelands and in exile, have celebrated the Jews' freedom from oppression at the hands of a foreign autocrat – the Egyptian Pharaoh.

My thoughts during the seder this year were with the people of Ukraine. The parallels between the story of the Exodus, and the current crisis in Ukraine, are stark.

As we sat around our dinner table, conducting our Passover seder, we recited: “For more than one enemy has risen against us to destroy us. In every generation, in every age, some rise up to plot our annihilation. But a Divine Power sustains and delivers us.”

May you and your relatives in Ukraine be sustained and delivered from the latest enemy who has risen against you. And may those of us in the United States government continue to stand alongside you and alongside the people of Ukraine in their fight for freedom and self-determination.

Thank you. I look forward to taking your questions.

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