

U.S., EU Threaten Sector-Wide 'Scalpel' Sanctions on Russia

By The Moscow Times

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Barack Obama (L) and Hollande look out over Omaha Beach as they participate in the 70th French-American Commemoration D-Day Ceremony at the Normandy American Cemetery and Memorial in Normandy.

WASHINGTON — The U.S. blacklisted seven separatists in Ukraine on Friday and threatened "scalpel" sanctions on Russia's financial, defense and high-tech industries as more Russian military material has flowed into Ukraine.

The U.S. moves respond to what U.S. officials say is Russia's recent increase in support to Ukrainian separatists, including the provision of Russian tanks and the preparation of more to cross into eastern Ukraine.

President Barack Obama spoke separately on Friday with French President Francois Hollande and German Chancellor Angela Merkel, the White House said. The three leaders agreed that Russia faces the risk of new sanctions from the West if it fails to defuse tensions on the

Ukraine border, the White House added.

"They agreed that should Russia fail to take immediate concrete steps to de-escalate the situation in eastern Ukraine, the U.S. and the European Union would coordinate additional steps to impose costs on Russia," the White House said in a statement.

The leaders of Lithuania, Latvia and Estonia — all former Soviet republics now in the EU — on Saturday they would back further sanctions against Russia at a European Union summit next week unless there was a de-escalation in eastern Ukraine.

Separatist rebellions erupted in eastern Ukraine in early April after street protests in Kiev toppled the Moscow-backed leader Viktor Yanukovych and Russia in turn annexed the Crimean peninsula. Eastern rebels have called for union with Russia.

The U.S. Treasury named seven people, including separatist leaders in Donetsk, Slovyansk, Luhansk and the Crimean city of Sevastopol, whose assets under U.S. jurisdiction will be frozen and with whom U.S. individuals and companies will be generally be barred from dealing.

The Treasury said one of the seven was a Russian citizen but gave no information on the citizenship of the other six.

Separately, the U.S. State Department said it was confident that Russia last week sent tanks and rocket launchers from a deployment site in southwest Russia into eastern Ukraine and believed more tanks were being readied for delivery.

"We also have information that Russia has accumulated artillery at a deployment site in southwest Russia, including a type of artillery utilized by Ukrainian forces but no longer in Russia's active forces, and believe Russia may soon provide this equipment to separatist fighters," said U.S. State Department spokeswoman Jen Psaki.

A senior Obama administration official who spoke on condition of anonymity said Ukrainian officials told diplomats in Brussels that they had "evidence of some additional 10 tanks, fuel trucks and additional supporting vehicles coming over the border outside of Luhansk in the last 24 hours."

"We have information that additional tanks departed from a deployment site in southwest Russia yesterday," said the official.

The official also said the U.S. had intensified its conversation with the European Union about imposing additional targeted sanctions sanctions on Russia because of the flows of Russian material to Ukraine.

"We have been in active conversations with our EU partners on what we call 'scalpel' sanctions, which would be targeted primarily in the financial, defense and high technology sectors," the official told reporters.

"The idea here is to deny Russia the kinds of investment and next-generation technology that it needs to continue to grow," the official said.

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