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Syria: U.S. Relations and Bilateral Issues

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Alfred B. Prados
Foreign Affairs, Defense, and Trade Division

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Syria: U.S. Relations and Bilateral Issues

SUMMARY

Syria, governed by President Hafiz al-Asad from 1970 until his death in June 2000, is a prominent player in the Middle East scene. Within the region, a number of border disputes, problems of resource allocation, and political rivalries have caused frequent tensions between Syria and its neighbors. In particular, the Syrian Golan Heights territory, which Israel has occupied since 1967, has been one of the most intractable issues in the Arab-Israeli dispute.

An array of bilateral issues continue to affect relations between the United States and Syria: the course of Arab-Israeli talks; questions of arms proliferation; Syrian connections with terrorist activity; Syria's role in Lebanon; and Syria's opposition to the U.S. occupation in Iraq. A variety of U.S. legislative provisions and executive directives prohibit direct aid to Syria and restrict bilateral trade relations between the two countries, due largely to Syria's designation by the U.S. State Department as a sponsor of international terrorism. Syria has reportedly cooperated with the United States in investigating Osama bin Laden's Al Qaeda organization in the aftermath of the September 11 attacks but has been unwilling to sever connections with some other terrorist organizations. During a visit to Damascus on May 3, 2003, U.S. Secretary of State Colin Powell warned Syria to withdraw support from terrorist organizations and has repeated the warning since then. Also, after Operation Iraqi Freedom began in March 2003, senior U.S. officials warned Syria to stop permitting transit of military supplies and volunteer fighters through Syria to Iraq. Syria denied these allegations.

The assassination on February 14, 2005, of former Lebanese Prime Minister Rafiq

Hariri, who had become a vocal critic of Syria's military force presence in Lebanon, drew widespread suspicions of Syrian involvement among some Lebanese and within the international community. Although U.S. officials said the perpetrators had not been identified, President Bush and other U.S. officials demanded that Syria withdraw its military and intelligence personnel from Lebanon. Syria advised the U.N. Secretary General that it had fully withdrawn its forces on April 26 in accordance with U.N. Security Council Resolution 1559. The Secretary General stated that he had sent a U.N. mission to Lebanon to verify the withdrawal.

On December 12, 2003, President Bush signed the Syria Accountability Act, H.R. 1828, as P.L. 108-175. This act imposes additional sanctions against Syria unless it halts support for terrorism, withdraws troops from Lebanon, ends its occupation of Lebanon, ceases development of weapons of mass destruction (WMD), and ceases support for terrorist activity in Iraq. Subsequently, on May 11, 2004, the President issued Executive Order 13338 to implement the provisions of this law, and on May 5, 2005, he extended the order for another year.

The conference report (H.Rept. 108-792) to the Foreign Operations Appropriations Act (Division D of the Consolidated Appropriations Act, 2005) contains a provision making funds available for democracy, human rights, and rule of law programs for Syria, but does not set a dollar amount for these programs in the case of Syria. President Bush signed the bill as P.L. 108-447 on December 8, 2004.

MOST RECENT DEVELOPMENTS

On June 30, 2005, the U.S. Treasury Department designated two senior Syrian officials involved in Lebanon affairs as Specially Designated Nationals, thereby freezing any assets they may have in the United States and banning U.S. transactions with them.

On April 26, 2005, the Syrian government advised the U.N. Secretary General and the President of the U.N. Security Council that Syria had fully withdrawn its military and security forces from Lebanon, in accordance with U.N. Security Council Resolution 1559. The Secretary General told reporters on May 23 that a U.N. team had verified Syria's withdrawal of military forces from Lebanon except for one town in dispute, but could not conclude with certainty that all Syrian intelligence personnel had left. U.S. Secretary of State Condoleezza Rice said Syria must also remove its intelligence forces. On June 10, the Secretary General announced that he was sending the verification back to Lebanon to see if Syrian intelligence agents were still in the country.

BACKGROUND AND ANALYSIS

Although U.S.-Syrian relations improved somewhat in the 1990s, further strains appeared after the breakdown in Syrian-Israeli negotiations in 2000 and Syria's opposition to a U.S. military campaign in Iraq. Members of Congress have periodically introduced legislation to tighten U.S. sanctions against Syria or to condition relaxation of existing restrictions on further changes in Syrian policy. Recent U.S. Administrations, though not inclined to lift sanctions on Syria at this time, tend to believe it is in U.S. interests to encourage Syria to play a positive role in the Arab-Israeli peace process and support other U.S. initiatives. The issue for U.S. policy makers is the degree to which the United States should work for better relations with Syria in an effort to enlist Syrian cooperation on regional and international issues such as the war on terrorism.

Syrian Politics and External Relations

Internal Situation. The death of Syrian President Hafiz al-Asad in June 2000 removed one of the longest serving heads of state in the Middle East and a key figure in the affairs of the region. A former air force commander and Minister of Defense, the late president exercised uncontested authority for almost 30 years through his personal prestige and his control of the principal pillars of the regime: the ruling Ba'th Party, the armed forces, and the intelligence apparatus. President Bashar al-Asad, who succeeded his father in a smooth transfer of power, has pursued some political reforms, but many observers believe he remains circumscribed by power elites who have a vested interest in maintaining the status quo. Observers have described President Bashar al-Asad's modernization program as akin to the Chinese model, with emphasis on economic reform while retaining one-party rule. Some elderly senior military officers have retired during 2004, but their replacements have been associated with the traditional power structure as well.

Foreign Affairs. Syria's relations with its neighbors have been marred in the past by border problems (with Turkey and Israel), disputes over water sharing (with Turkey and Iraq), and political differences (sometimes with Jordan and — until recently — with Iraq, which was governed by a rival wing of the Ba'ath Party); Iraq, in particular, resented Syrian support for Iran during the Iraq-Iran war of 1980-1988 and Syrian support for the allied coalition that expelled Iraq from Kuwait in 1991. Syrian relations with all three neighbors improved, however, in the late 1990s. In 2003, Syria opposed the U.S.-led campaign to overthrow the regime of former Iraqi President Saddam Hussein. In a sign of improving bilateral relations, Syrian President Asad paid a three-day visit to Turkey on January 6-8, 2004, the first visit by a Syrian head of state since Syria became independent in 1946. Syria belongs to the European Unions's (EU's) Euro-Mediterranean Partnership, known as the Barcelona Process, but has not yet concluded an association agreement with the group.

Syria in Brief

Population (2005 est.)	18,448,752 (Growth rate: 2.34%)*
Area:	185,180 sq km (71,498 sq mi), slightly larger than North Dakota
Ethnic Groups:	Arabs 90.3%; Kurds, Armenians, others: 9.7%
Religious Sects:	Sunni Muslim 74%; Alawite, Druze, Ismaili 16%; Christian 10%; Jewish (less than 0.01%)
Literacy (2003)	76.9% (male 89.7%, female 64.0%)
Gross Domestic Product (2004)	\$23.4 billion (Growth: 1.8%)
External Public Debt (2004)	\$22.0 billion, including approximately \$13 billion to Russia (inherited from Syria's debt to former Soviet Union)
Inflation (2004)	2.1%
Unemployment (2003)	15% (20% by some estimates)

*In addition, approximately 20,000 Arabs and 20,000 Israeli settlers live in the Israeli-occupied Golan Heights territory (2003 estimate)

Source: CIA World Factbook 2005; Economist Intelligence Unit (London)

Syrian-U.S. Bilateral Issues

Arab-Israeli Peace Negotiations

Syrian-Israeli negotiations remain deadlocked over Syria's demand that Israel withdraw unconditionally from the Golan Heights, a 450-square mile portion of southwestern Syria that Israel occupied during the 1967 Arab-Israeli war. The late President Asad said he accepted the principle of "full withdrawal for full peace" and would establish peaceful, normal relations with Israel in return for Israeli's withdrawal from Golan (and from southern Lebanon as well). Israeli governments have differed over the question of withdrawal, but all have demanded a prior Syrian commitment to establish full diplomatic relations and agree to security arrangements before any withdrawal takes place. Israeli leaders have traditionally described the Golan Heights territory as important to their security because of its commanding terrain. At the same time, in an August 13, 2004 interview, Israel's armed forces chief of staff said that "when considering military requirements it is possible to reach

an agreement by giving up the Golan Heights.” He added that “the [Israeli] army will be able to protect any border. This will be true of any decision the political echelon in Israel will make.”¹ A Syrian official dismissed these comments, saying that “[w]e do not give such statements any weight unless they are associated with a serious move (toward peace).”

Also, Syria and Israel disagree over what would constitute full withdrawal, because of slightly differing boundary lines defined in the past. Israel regards the boundary as the international border established in 1923 between what was then the British-controlled territory of Palestine and the French-controlled territory of Syria, while Syria believes it should be the line where Syrian and Israeli forces were deployed on the eve of the June 1967 war. Among other things, the latter boundary line would confer both symbolic and geographic benefits on Syria by giving it access to the northeastern shore of the Sea of Galilee (also known as Lake Kinneret or Lake Tiberias).

Syrian-Israeli peace talks have been stalled since early 2000, when U.S.-hosted meetings in Washington, D.C. and West Virginia broke down and the late President Hafiz al-Asad rejected an Israeli compromise proposal for withdrawal roughly to the 1923 line. President Bashar al-Asad, who succeeded his father on the latter’s death in June 2000, stated in his inaugural address that “we are in a hurry for peace, but we are not prepared to relinquish territory and we do not allow our sovereignty to be encroached upon.” At an Arab summit conference on March 27-28, 2002, Syria joined other Arab states in endorsing a peace initiative by Saudi Arabia for full Israeli withdrawal; the initiative was reaffirmed at an Arab summit conference on March 21-24, 2005. Both Israel and Syria have suggested a resumption of talks; however, Israel believes talks should begin without pre-conditions, while Syria has long insisted that talks resume where it maintains they left off in 2000. Statements by Israeli and Syrian leaders in early December 2004 indicated some possible flexibility on both sides. Israeli Prime Minister Ariel Sharon, in a December 2 press conference, said that he is “ready to meet President Asad under certain conditions.” On the following day, the Syrian ambassador to London said that Syria would be willing to negotiate without preconditions and appeared to soften Syria’s previous demand that any peace talks resume from the point where they had left off. These comments followed an apparent offer by Assad as relayed by a U.N. envoy in late November to resume negotiations without conditions.² In the meantime, tensions continue. On February 27, 2005, Israeli Prime Minister Sharon blamed Syria for hosting the militant Palestine Islamic Jihad, which claimed responsibility for a suicide bombing in at a club in Tel Aviv, Israel on February 25.

Syrian Role in Lebanon

Syria has maintained forces in Lebanon since the early stages of the Lebanese civil war of 1975-1990, ostensibly under an Arab League peacekeeping mandate. An Arab League sponsored agreement reached at Taif, Saudi Arabia in 1989 provided, among other things, for the redeployment of Syrian troops to eastern Lebanon within two years followed by further anticipated withdrawals; however, these terms were not fully implemented. Although Syrian troop strength in Lebanon reportedly declined from 35,000-40,000 in the late 1970s to approximately 14,000 by early 2005, Syria continued to exercise controlling influence over

¹ “Israel Could Return Golan to Syria One Day — General,” Reuters News Wire, Aug. 13, 2004.

² “Is Syria Serious About Peace with Israel?,” *The Daily Star* (Beirut), Nov. 30, 2004.

Lebanon's domestic politics and regional policies. Though supported by some Lebanese including many Shi'ite Muslims, the Syrian presence was resented by much of the Christian community and increasingly by the Druze and Sunni Muslim communities as well. Also at issue is Syrian support for the Shi'ite Muslim militia Hizballah, which has continued to launch attacks against Israeli troops in the Lebanese border area and in a small disputed adjacent enclave known as the Shib'a Farms.

Resolution 1559. On September 3, 2004, apparently under pressure from Syria, the Lebanese parliament adopted an amendment extending Lebanese President Emile Lahoud's six-year term by an additional three years. Many Lebanese, especially from the Christian and Druze religious communities, opposed this step, which drew criticism from western countries as well. On the day before the parliamentary vote, the U.N. Security Council adopted Resolution 1559, sponsored by the United States and France, calling for "a free and fair electoral process in Lebanon's upcoming presidential election ... without foreign interference" and calling upon "all remaining foreign forces to withdraw from Lebanon." Syria's U.N. ambassador maintained that "Syria is not a foreign force in Lebanon, it is there at the request of the Lebanese government," while Lebanon's pro-Syrian government described the resolution as interference in the internal affairs of Lebanon.³

Assassination of Hariri and Aftermath. On February 14, 2005, a powerful car bomb exploded in Beirut's hotel district, killing former Lebanese Prime Minister Rafiq Hariri. An opponent of the Syrian-backed extension of President Lahoud's term, Hariri had resigned on October 20, 2004 and subsequently joined an opposition group calling for the withdrawal of Syrian troops from Lebanon. Many Lebanese opposition groups demonstrated against Syria and the pro-Syrian Lebanese government, charging its leaders with responsibility for Hariri's death. Hariri supporters dismissed a claim of responsibility by a small group calling itself the "Group for Advocacy and Holy War in the Levant," maintaining that so sophisticated an attack would likely have required the capabilities a full-fledged state. Syrian and Lebanese officials denied involvement and condemned the bombing. During the weeks that followed, both opponents of the Syrian presence (mainly Christians, Sunni Muslims, and Druze) and supporters of Syria (mainly Shi'ite Muslims, backed by Hizballah) mustered tens of thousands of demonstrators.

Although U.S. officials said the identity of the perpetrators has not yet been determined, State Department officials expressed outrage to the Syrian government and on February 15, 2005, Secretary of State Condoleezza Rice recalled the U.S. Ambassador to Syria for urgent consultations. In a press statement that same day, State Department spokesman Richard Boucher said the Syrian military presence "has not provided internal security for Lebanon. And therefore, in light of that kind of event (the car bombing that killed Hariri), we need to look at the whole range of issues that we've had, including the Syrian presence in Lebanon." On the same day, Secretary Rice commented that "[t]he Syrian government is unfortunately on a path right now where relations are not improving but are worsening." On February 16, 2005, Secretary Rice told the Senate Foreign Relations Committee that Syria should be held at least indirectly responsible, "given their continued interference in Lebanese affairs."⁴

³ On two previous occasions, in 1948 and in 1995, terms of Lebanese presidents have been extended.

⁴ Joel Brinkley, "Rice Says Syria Is at Least Indirectly Responsible for the Blast," *New York Times*, Feb. 17, 2005.

President Bush followed up on February 17, 2005, criticizing Syrian policies but stating that he would withhold judgment pending the outcome of investigations of Hariri's murder; on February 23, he said Syria must pull both its military forces and its intelligence personnel out of Lebanon.

Investigations. Members of the international community expressed little confidence that investigations conducted by the current pro-Syrian Lebanese authorities would shed much light on the killing of Hariri. A statement by the President of the U.N. Security Council on February 25, although it did not mention Syria by name, condemned the assassination and requested the Secretary General "to report urgently on the circumstances, causes and consequences of this terrorist act." In accordance with this request, a U.N. fact-finding team visited Lebanon and concluded that "the Lebanese investigation process suffers from serious flaws and has neither the capacity nor the commitment to reach a satisfactory and credible conclusion." Accordingly, on April 7, the U.N. Security Council adopted Resolution 1595, under which the council decided to "establish an international independent investigation Commission ("the Commission") based in Lebanon to assist the Lebanese authorities in their investigation of all aspects of this terrorist act, including to help identify its perpetrators, sponsors, organizers and accomplices." The resolution calls for full cooperation on the part of the Lebanese authorities in providing the Commission with access to information, freedom of movement, and logistical support. Also, the resolution requests the Commission to complete its work within three months from the date it commences operations, authorizes the Secretary General to extend the Commission's mandate for another period of up to three months, and requests an oral update every two months while the Commission is functioning.

Withdrawals. After mounting pressures from the United States and key members of the international community (including France, Germany, Russia, Saudi Arabia, and Egypt) and at the urging of U.N. officials, President Asad gradually began to withdraw his forces. On March 7, Presidents Asad and Lahoud announced agreement on a two-phase plan involving redeployment of Syrian forces to eastern Lebanon and discussions on withdrawal at an undefined date in the future, but U.S. and other officials dismissed these steps as insufficient. On March 12, then U.N. envoy Terje Roed-Larsen met with Asad and reported that "[t]he president has committed to withdraw from Lebanon all Syrian troops and intelligence from Lebanon in fulfillment of Security Council Resolution 1559."⁵ On April 26, the Syrian foreign minister informed the U.N. Secretary General and the President of the Security Council that Syrian forces "have fully withdrawn all their military and security apparatus and assets to their positions in Syria on April 26 2005...." In a report dated April 26, the Secretary General said he had been unable to confirm the withdrawal and had dispatched a U.N. mission to verify whether there had been a full and complete withdrawal. The Secretary General told reporters on May 23 the team had verified Syria's withdrawal of military forces from Lebanon except for one town in dispute, but could not conclude with certainty that all Syrian intelligence personnel had left. U.S. Secretary of State Condoleezza Rice said Syria must also remove its intelligence forces. On June 10, following accusations of Syrian involvement in the murder of an anti-Syrian Lebanese journalist, the Secretary General announced that he was sending the verification back to Lebanon to see if Syrian intelligence agents were still in the country.

⁵ Robin Wright, "Syria Vows Phased Lebanon Exit," *Washington Post*, Mar. 13, 2005.

Although Syrian forces had departed Lebanon before the Lebanese parliamentary elections in late May and June, some observers think Syrian officials may try to circumvent the effect of the withdrawal by maintaining their influence through contacts they have acquired over the years in the Lebanese bureaucracy and security services.⁶ While anti-Syrian candidates secured a comfortable majority (72 out of 128) in the new parliament, the strong showing by a largely Shi'ite Muslim bloc in southern Lebanon resulted in the reelection of a pro-Syrian parliamentary speaker (a Shi'ite post under Lebanon's unique system), while the pro-Syrian President Emile Lahoud remains in office. Other commentators have expressed concern that Syria's withdrawal could leave a security gap in Lebanon, lead Asad to reinforce his power base by more repressive domestic policies, or weaken Asad's position, possibly leaving the country vulnerable to some type of Islamist rule.

Relations with Iraq

Trade and Oil. Syria, though long hostile to Saddam Hussein's Iraq, improved relations with its erstwhile adversary in the late 1990s and opposed the U.S. military campaign in Iraq. Numerous reports between 2000 and 2003 indicated that Iraq under Saddam Hussein was shipping between 120,000 and 200,000 barrels of oil per day through a reopened pipeline to Syria, technically in violation of U.N. sanctions. President Asad failed to honor a commitment he made in 2001 to Secretary Powell to handle oil shipments from Iraq in accordance with the U.N.-approved oil-for-food program for Iraq.⁷ U.S. military forces shut down the pipeline in April 2003 after the war began. According to the U.S. Energy Information Administration, oil export routes from Iraq through Syria remain closed as of early February 2004. Other forms of bilateral trade have resumed, however, apparently with U.S. acquiescence.

Money. There have been reports that money withdrawn by Saddam Hussein or his henchmen from Iraqi banks found its way to Syria. According to a CNN broadcast on October 13, 2003, criminal investigators from the U.S. Internal Revenue Service and officials from the Central Bank of Iraq were dispatched to Damascus to look for these funds. According to a news wire article on January 29, 2004, an Iraqi official said Syria had agreed to return the funds, which Iraqis estimate at \$3 billion. In his 2004 interview with *al-Sharq al-Awsat*, however, President Asad said that the figure was about \$200 million and that a process of accounting is under way. According to press reports, the Bush Administration has accused the state-owned Commercial Bank of Syria of laundering money for terrorist organizations and holding \$200 million in accounts belonging to former members of Saddam Hussein's government.⁸ In September 2004, a delegation from the U.S. Treasury Department visited Syria to look into these allegations, which may have prompted subsequent U.S. punitive actions against the bank (see below). A subsequent press report states that wealthy donors are funneling money through Syria to the Iraqi resistance and adds that only half of

⁶ Robin Wright, "Syria Moves to Keep Control of Lebanon," *Washington Post*, Mar. 31, 2005.

⁷ Commenting on Syria's unfulfilled pledge after the war, Secretary Powell said "I will always have that in my background software and on my hard drive." "Powell to Detail Concerns to Syria," *Washington Post*, May 3, 2003.

⁸ Scott Wilson, "U.S. Pressing Syria On Iraq Border Security," *Washington Post*, Sept. 20, 2004, p. A16.

an estimated \$1 billion transferred from the former Iraqi regime to Syrian banks has been recovered.⁹

Infiltrators. U.S. officials continue to charge that Syria is allowing pro-Saddam volunteers from various Arab countries including Syria itself to cross its border into Iraq. In its annual publication *Country Reports on Terrorism: 2004* (published on April 27, 2005), the U.S. State Department said Syria has taken measures to improve border security in Iraq but needs to do more to prevent the use of Syrian territory by individuals and groups supporting the insurgency in Iraq. In a *New York Times* interview of November 30, 2003, President Asad maintained that Syria is no longer permitting anti-U.S. volunteers to pass through official border crossing points but that Syria is unable to prevent infiltration across the lengthy Syrian-Iraqi border (approximately 605 kilometers). He expressed doubt that what he estimated as 1,000 or 2,000 foreign fighters in Iraq were an important factor in the Iraqi resistance.¹⁰ In April 2005, U.S. officers described some Iraqi border guard units patrolling segments of Iraq's border with Syria and Jordan as undermanned, under-equipped, and under-motivated or intimidated.¹¹ With regard to charges that Syria provides a base of operations for Iraqi insurgents, Syrian officials maintain that it is difficult to monitor the Iraqi community; there are reportedly 250,000 to 300,000 Iraqis in Syria (some sources estimate a wider spread of 200,000 to 500,000).

Subsequently there have been mixed signals from Washington and Damascus. General Abizaid in a *Washington Post* interview of December 6, 2004, stated that volunteer fighters from other Arab countries are given plane tickets to Damascus where they obtain false documentation, enabling them to infiltrate into Iraq. Previously, U.S. Chairman of the Joint Chiefs of Staff General Richard B. Myers said that it is hard to believe Syria is unaware of what is going on, but “[w]hether they’re supporting it is another question.”¹² Still, some U.S. commanders have noted recent steps by Syrians to tighten their border with Iraq and curtail cross-border infiltration.¹³ At the end of February 2005, press reports citing unnamed Syrian and Iraqi officials alleged that Sabawi Ibrahim al-Hassan, Saddam Hussein’s half brother and former security chief; was captured in Syria and delivered to Iraqi custody, along with 29 other officials of the former Saddam Hussein regime.¹⁴ Syrian authorities, however, did not confirm reports of a Syrian role in Sabawi’s capture. Tikriti was number 36 on the list of wanted former Baathist officials and is suspected of coordinating insurgent attacks and raising funds for the insurgency in Syria.

⁹ Eric Schmitt and Thom Shanker, “Estimates by U.S. See More Rebels With More Funds,” *New York Times*, Oct. 22, 2004.

¹⁰ In late October 2003, U.S. officials estimated the number of foreign fighters in Iraq at 1,000 to 3,000. Joel Brinkley, “Few Signs of Infiltration by Foreign Fighters in Iraq,” *New York Times*, Nov. 19, 2003.

¹¹ James Janega, “Too Much Border, Not Enough Patrol,” *Chicago Tribune*, Apr. 19, 2005.

¹² “Few Foreigners Among Insurgents,” *Washington Post*, Nov. 16, 2004.

¹³ Carla Anne Robbins and Greg Jaffe, “U.S. Sees Efforts By Syria To Control Border With Iraq,” *The Wall Street Journal*, Dec. 10, 2004.

¹⁴ John F. Burns, “Syria Turns Over a Top Insurgent, Iraqis Say,” *New York Times*, Feb. 28, 2005.

Equipment. During the year preceding Operation Iraqi Freedom there were reports that Syria had become a conduit for shipments of military equipment from eastern European countries to Iraq. Most of these shipments allegedly consisted of anti-aircraft missiles, guidance systems for SCUD surface to surface missiles, anti-aircraft guns, radar, and jet and tank engines. During the war, Secretary Rumsfeld told reporters on March 28, 2003 that military supplies including night vision goggles were being shipped from Syria to Iraq. Conversely, Israeli sources cited reports that Iraqi chemical and biological weapons were being shipped from Iraq to Syria for safekeeping. At the time, U.S. General Richard B. Myers, Chairman of the Joint Chiefs of Staff, said there was no evidence so far that Iraqi WMD had been moved to another country. In September 16, 2003 testimony before the House International Relations Committee (Subcommittee on Middle East and Central Asia), then Under Secretary of State John Bolton mentioned reports that Iraq had moved its WMD to Syria to hide them from U.N. inspectors but said the United States had been unable to confirm such transfers. A high-level U.S. defense intelligence official has been quoted as saying that a sudden uptick in vehicular traffic from Iraq to the Syrian border prior to the onset of the U.S. campaign in March 2003 indicates movement of people and materiel to Syria; however, U.S. inspectors have not yet determined if Iraqi weapons were sent to Syria for hiding.¹⁵

Accusations of Syrian Interference. U.S. and Iraqi officials have accused Syria on several occasions since late 2004 of interfering in Iraq and aiding Abu Musab Zarqawi, the head of an Al Qaeda affiliate in Iraq. The Iraqi Ambassador to Syria, for example, said U.S. and Iraqi troops had captured photos of Syrian officials during combat operations in an insurgent stronghold in Iraq in November.¹⁶ On December 16, President Bush warned Syria and Iran that “meddling in the internal affairs of Iraq is not in their interests.” His warning followed an accusation by then Iraqi Defense Minister Hazem Shaalan that Syria is aiding Zarqawi and agents of former Iraqi President Saddam Hussein. The Syrian Foreign Ministry dismissed Shaalan’s remarks as “baseless accusations” but did not refer to President Bush’s remarks. Following reports of a secret meeting in Syria held by Zarqawi and key aides during April, week-long fighting took place along the Syrian border in mid-May, resulting in hundreds of deaths including nine U.S. Marines. According to a press report on May 18, an unnamed U.S. official characterized Syria as a main conduit for pro-Zarqawi fighters entering Iraq. In a meeting with an Iraqi official on May 20, U.S. Secretary of State Condoleezza Rice criticized Syria for “allowing its territory to be used to organize terrorist attacks against innocent Iraqis” and added that Syria “should not think itself immune from the way that the region is going.” She pointed to other Syrian policies regarding terrorism, Lebanon, and Palestinian affairs, and said Syria must realize “that it is clearly out of step with where the region is going.” On May 20, 2005, the Syrian Ambassador to the United States told the *New York Times* that Syria has “severed all links” with U.S. military representatives and the Central Intelligence Agency during the last 10 days because of what he called unjust allegations of Syrian support to the Iraqi insurgency. He maintained that U.S. criticism had escalated since February, despite Syrian steps to curtail the insurgency.

¹⁵ Rowan Scarborough, “Saddam Agents On Syria Border Helped Move Banned Materials,” *Washington Times*, Aug. 16, 2004.

¹⁶ Nicholas Blanford, “More Signs of Syria Turn up in Iraq,” *Christian Science Monitor*, Dec. 23, 2004.

In early July 2005, some sources reported that Syria has increased its support for the Iraqi insurgency while others stated that Syria has recently gone on the offensive against foreign fighters seeking to cross the border into Iraq. Those who espouse the former view quote U.S. officials as describing Syria as a “hub” for foreign recruits supporting the Iraqi insurgency, while those with a different view point to recent reports of clashes between Syrian security forces and militants connected to the Iraqi insurgency. Still others noted a Syrian announcement of the arrest of militants belonging to a group called the Levant Army, reportedly linked to the Iraqi insurgency and to perpetrators of a suicide bombing in Qatar. (“Syrians Clash With Fighters Linked to the Iraqi Insurgency,” *New York Times*, July 5, 2005; “Syria Seen Stepping Up Aid To Iraq-Bound Insurgents,” *Washington Times*, July 6, 2005, “Syria Clashes Hint At Growing Islamic Extremist Problem,” Associated Press (Dow Jones), July 5, 2005.

Arms Proliferation

Over the past three decades, Syria has acquired an arsenal of chemical weapons (CW) and surface-to-surface missiles, reportedly has conducted research and development in biological weapons (BW), and may be interested in a nuclear weapons capability. Its weapons of mass destruction (WMD) programs, however, are hampered by limited resources and reliance on external sources of supply. Emphasis has been on the development of CW and missile capabilities — sometimes described as “poor man’s nuclear weapons.” In the past, there has been little evidence of intent on Syria’s part to acquire nuclear weapons; rather, Syria has sought to build up its CW and missile capabilities as a “force equalizer” to counter Israeli nuclear capabilities. (“Syria Built Arsenal As ‘Equalizer,’” *Washington Post*, April 17, 2003.) However, increasing U.S. concerns over an apparent nexus between terrorism and WMD in the post-September 11 era has brought added attention from the Bush Administration to possible efforts by states like Syria to pursue a broader range of WMD programs.

In a speech to the Heritage Foundation on May 6, 2002, then Under Secretary Bolton grouped Syria with Libya and Cuba as rogue states that support international terrorism (see below) and are pursuing the development of WMD. On October 9, 2002, then Under Secretary Bolton reportedly told the Senate Foreign Relations Committee that “[w]e remain very concerned that nuclear and missile programs of Iran and others, including Syria, continue to receive the benefits of Russian technology and expertise.” In his briefing for the Subcommittee on the Middle East and South Asia on September 16, 2003, Bolton described a range of Syrian WMD programs and voiced particular concern over the sharing of Russian technology with Syria. Following is a brief summary of Syria’s WMD programs from available information, including Mr. Bolton’s testimony and an unclassified CIA study covering the period from July through December 2003.

Chemical and Biological. Syria, which has not signed the Chemical Weapons Convention, reportedly has a stockpile of the nerve agent sarin and may be working on a more toxic and persistent nerve agent like VX. Syria is reported to have three production facilities for chemical weapons but remains dependent on external sources for key elements of its CW program including precursor chemicals and key production equipment. Little information is available on Syrian biological programs; however, the preparers of the 2003 CIA study estimate that “Syria probably also continued to develop a BW capability.” Syria has signed, but not ratified, the Biological Weapons Convention.

Nuclear. Syria has one small Chinese-supplied nuclear research reactor, which is under International Atomic Energy Agency (IAEA) safeguards. Syria and Russia have agreed on a draft program for cooperation on civil nuclear power. According to the 2003 CIA study, “[b]roader access to foreign expertise provides opportunities for Syria to expand its indigenous capabilities and we are monitoring Syrian nuclear intentions with concern.”

Syria acceded to the Nuclear Non-Proliferation Treaty in 1969; however, Under Secretary Bolton expressed concern that Syria, like Iran, has not signed the IAEA Additional Protocol, which provides for short-notice inspections of nuclear facilities.

Missiles. Syria has one of the largest missile inventories in the Middle East, consisting of several hundred short-to-medium range ballistic missiles and cruise missiles. Once reliant on the former Soviet Union, Syria has turned more recently to Iran, North Korea, and China for assistance with its missile programs. According to the 2003 CIA study, Syria continued to seek help from abroad in establishing a solid-propellant rocket motor development and production capability and is seeking assistance from North Korea in its liquid propellant missile programs. Bolton, in his September 2003 testimony, suggests that regional concerns may impel Syria to seek a longer range missile on the order of the North Korean No Dong medium-range ballistic missile.

Advanced Conventional Weapons. Syria continues to obtain small amounts of conventional military equipment from Russia and other former Soviet-bloc suppliers. Syria reportedly wants to obtain Russian air defense systems (SA-10/SA-11), fighter aircraft (MiG-29, Su-27), and tanks (T-80, T-90), as well as upgrades for weapons already in Syrian inventories; however, Syria’s lack of money combined with its outstanding debt to Russia (inherited from the former Soviet Union) have hampered any significant acquisitions.

Possible Acquisition. In January 2005, Russian media and Israeli sources reported an impending sale by Russia to Syria of shoulder-fired SA-18 (“Igla”) air defense missiles and SS-26 (“Iskander-E”) surface to surface missiles. The SS-26’s reportedly have sufficient range to reach targets in much of Israel. During a visit to Russia by President Asad at the end of January, officials of both countries denied these reports. A Russian daily newspaper, however, reported that the deal was put on hold because of U.S. and Israeli pressure.

Debt. Largely as a result of military purchases, Syria incurred a debt of approximately \$13.4 billion to the former Soviet Union, a debt that the successor Russian Federation has now inherited. Without providing details, both presidents expressed satisfaction that the two sides had “resolved the problem of Syria’s debts to the Russian Federation. We have resolved it on a compromise base acceptable for both parties ...” (Putin’s words. Asad commented that “we approached the solution to a long-standing issue — Syria’s debt to Russia.”) According to several press articles, Putin agreed to write off \$9.8 billion or approximately 73% of the debt.¹⁷ Some speculate that Putin was motivated by prospects of

¹⁷ Neil King, Jr. and Gregory L. White, “U.S. Reviews Russia Ties Amid Rising Tensions,” *The Asian Wall Street Journal*, Jan. 27, 2005. “Russia writes off \$9.8 billion of Syrian debt,” *The Daily Star* (Beirut, Lebanon), Jan. 26, 2005.

new arms purchases from Syria, while others suggest that political and strategic benefits that may accrue to Russia are more important than economic benefits.¹⁸

Terrorist Activity

Since 1979, Syria has appeared regularly on a list of countries — currently seven — that the U.S. State Department identifies as sponsors of international terrorism. According to the State Department's most recent annual report on global terrorism (*Country Reports on Terrorism, 2004*, published on April 27, 2005), Syria has not been implicated directly in an act of terrorism since 1986, when Syrian intelligence was reportedly involved in an abortive attempt to bomb an El Al airliner in London. The report states, however, that Syria has continued to provide support and safe haven for Palestinian groups that have committed terrorist acts, and allows them to maintain offices in Damascus. The report also notes that Syria continued to permit Iranian resupply via Damascus of the Lebanese Shi'ite Muslim militia Hizballah in Lebanon. Syria admits its support for Palestinians pursuing armed struggle in Israeli occupied territories and for Hizballah raids against Israeli forces on the Lebanese border, but insists that these actions represent legitimate resistance activity as distinguished from terrorism.

Al Qaeda. In some instances, Syria has cooperated with the United States against terrorist organizations, such as Al Qaeda. With a few exceptions such as Hamas and Hizballah, the generally secular Syrian government tends to regard Islamic fundamentalist organizations as destabilizing. Since the September 11 attacks, a number of reports, including the State Department's *Country Reports on Terrorism, 2004*, indicate that Syria has cooperated with the United States and other foreign governments against Al Qaeda and other terrorist organizations, while discouraging signs of public support for Al Qaeda. Earlier, on June 18, 2002, U.S. Assistant Secretary of State William Burns was quoted as telling a congressional committee that "the cooperation the Syrians have provided in their own self-interest on Al Qaeda has saved American lives." According to a more recent news report, Syria helped unravel a plot by an Al Qaeda group in Canada to attack U.S. and Canadian government installations.¹⁹ Details regarding the type of support provided by the Syrians, however, have been lacking, and some Members of Congress have expressed the view that Syrian cooperation against Al Qaeda has waned or has been exaggerated.

Further Developments. Then Secretary of State Colin Powell addressed U.S. concerns over terrorism and other bilateral issues with Syrian President Bashar al-Asad during a brief visit to Damascus on May 3, 2003 and in several follow-up conversations, but were unable to come to agreement on this issue. On June 20, 2003, Secretary Powell told reporters that the Syrians "took some limited steps" but added that "those steps are totally inadequate." In an interview with the London-based Arabic language newspaper *al-Sharq al-Awsat* on January 19, 2004, President Asad said that Palestinian groups had closed the offices in question on their own initiative to ease pressures on Syria, but that Syria had no legal grounds on which to expel the individual Palestinians who tenanted these offices. A fact sheet issued by the White House on May 11, 2004, criticized Syria for supporting

¹⁸ "Syria, Russia Might Both Gain By Improved Relationship," *Dow Jones International News*, Jan. 26, 2005.

¹⁹ "Syrian Reforms Gain Momentum In Wake Of War," *Washington Post*, May 12, 2003.

terrorist groups (certain Palestinian groups and the Lebanese Hizballah militia) that undermine the U.S. goal of a comprehensive peace in the Middle East.

U.S. Aid and Sanctions

Since 1950, the United States has provided a total of \$627.5 million in aid to Syria: \$34.0 million in development assistance, \$438.0 million in economic support, \$155.4 million in food assistance, and \$61 thousand in military training assistance. Most of this aid was provided during a brief warming trend in bilateral relations between 1974 and 1979. Significant projects funded under U.S. aid included water supply, irrigation, rural roads and electrification, and health and agricultural research. No aid has been provided to Syria since 1981, when the last aid programs were closed out. At present, a variety of legislative provisions and executive directives prohibit U.S. aid to Syria and restrict bilateral trade. Principal examples follow.

General Sanctions Applicable to Syria

The International Security Assistance and Arms Export Control Act of 1976 [P.L. 94-329]. Section 303 of this act [90 Stat. 753-754] required termination of foreign assistance to countries that aid or abet international terrorism. This provision was incorporated into the Foreign Assistance Act of 1961 as Section 620A [22 USC 2371]. (Syria was not affected by this ban until 1979, as explained below.)

The Export Administration Act of 1979 [P.L. 96-72]. Section 6(i) of this act [93 Stat. 515] required the Secretary of Commerce and the Secretary of State to notify Congress before licensing export of goods or technology valued at more than \$7 million to countries determined to have supported acts of international terrorism (Amendments adopted in 1985 and 1986 re-lettered Section 6(i) as 6(j) and lowered the threshold for notification from \$7 million to \$1 million.)

A by-product of these two laws was the so-called state sponsors of terrorism list. This list is prepared annually by the State Department in accordance with Section 6(j) of the Export Administration Act. The list identifies those countries that repeatedly have provided support for acts of international terrorism. Syria has appeared on this list ever since it was first prepared in 1979; it appears most recently in the State Department's annual publication *Country Reports on Terrorism, 2004*, published on April 27, 2005. Syria's inclusion on this list in 1979 triggered the above-mentioned aid sanctions under P.L. 94-329 and trade restrictions under P.L. 96-72.

Omnibus Diplomatic Security and Antiterrorism Act of 1986 [P.L. 99-399]. Section 509(a) of this act [100 Stat. 853] amended Section 40 of the Arms Export Control Act to prohibit export of items on the munitions list to countries determined to be supportive of international terrorism, thus banning any U.S. military equipment sales to Syria. (This ban was reaffirmed by the Anti-Terrorism and Arms Export Amendments Act of 1989 — see below.) Also, 10 U.S.C. 2249a bans obligation of U.S. Defense Department funds for assistance to countries on the terrorism list.

Omnibus Budget Reconciliation Act of 1986 [P.L. 99-509]. Section 8041(a) of this act [100 Stat. 1962] amended the Internal Revenue Code of 1954 to deny foreign tax credits on income or war profits from countries identified by the Secretary of State as supporting international terrorism. [26 USC 901].

The Anti-Terrorism and Arms Export Control Amendments Act of 1989 [P.L. 101-222]. Section 4 amended Section 6(j) of the Export Administration Act to impose a congressional notification and licensing requirement for export of goods or technology, irrespective of dollar value, to countries on the terrorism list, if such exports could contribute to their military capability or enhance their ability to support terrorism.

Section 4 also prescribed conditions for removal of a country from the terrorism list: prior notification by the President to the Speaker of the House of Representatives and the chairmen of two specified committees of the Senate. In conjunction with the requisite notification, the President must certify that the country has met several conditions that clearly indicate it is no longer involved in supporting terrorist activity. (In some cases, certification must be provided 45 days in advance of removal of a country from the terrorist list.)

The Anti-Economic Discrimination Act of 1994 [Part C, P.L. 103-236, the Foreign Relations Authorization Act, FY1994-1995]. Section 564(a) bans the sale or lease of U.S. defense articles and services to any country that questions U.S. firms about their compliance with the Arab boycott of Israel. Section 564(b) contains provisions for a presidential waiver, but no such waiver has been exercised in Syria's case. Again, this provision is moot in Syria's case because of other prohibitions already in effect.

The Antiterrorism and Effective Death Penalty Act of 1996 [P.L. 104-132]. This act requires the President to withhold aid to third countries that provide assistance (Section 325) or lethal military equipment (Section 326) to countries on the terrorism list, but allows the President to waive this provisions on grounds of national interest. A similar provision banning aid to third countries that sell lethal equipment to countries on the terrorism list is contained in Section 549 of the Foreign Operations Appropriation Act for FY2001 (H.R. 5526, passed by reference in H.R. 4811, which was signed by President Clinton as P.L. 106-429 on November 6, 2000).

Also, Section 321 of P.L. 104-132 makes it a criminal offense for U.S. persons (citizens or resident aliens) to engage in financial transactions with governments of countries on the terrorism list, except as provided in regulations issued by the Department of the Treasury in consultation with the Secretary of State. In the case of Syria, the implementing regulation prohibits such transactions "with respect to which the United States person knows or has reasonable cause to believe that the financial transaction poses a risk of furthering terrorist acts in the United States." (31 CFR 596, published in the Federal Register August 23, 1996, p. 43462.) In the fall of 1996, the Chairman of the House International Relations Committee reportedly protested to then President Clinton over the Treasury Department's implementing regulation, which he described as a "special loophole" for Syria. Several subsequent measures were introduced in previous Congresses to forbid virtually all financial transactions with Syria but were not enacted.

Section 531 of the Consolidated Appropriations Resolution, 2003 (P.L. 108-7) bans aid to countries not in compliance with U.N. Security Council sanctions against Iraq. This ban

would be applicable to exports of Iraqi oil through Syria or to reported shipments of military equipment via Syria to Iraq; however, it may be moot following the collapse of Saddam Hussein's regime in Iraq.

Specific Sanctions Against Syria

In addition to the general sanctions listed above, specific provisions in foreign assistance appropriations enacted since 1981 have barred Syria by name from receiving U.S. aid. The most recent ban appears in H.R. 4818 (P.L. 108-447 — see below).

Section 307 of the Foreign Assistance Act of 1961, amended by Section 431 of the Foreign Relations Authorization Act for FY1994-1995 (P.L. 103-236, April 30, 1994), requires the United States to withhold a proportionate share of contributions to international organizations for programs that benefit eight specified countries or entities, including Syria. Section 512 of H.J.Res. 2 (P.L. 108-7), sometimes known as the Brooke Amendment after an earlier version of this provision, bans assistance to any country in default of to the United States for over a year. As of December 31, 2001 (latest figures available), Syria owed the United States \$237.8 million (including \$116.3 million in arrears) in principal payments, mainly on loans under the Commodity Credit Corporation or from the U.S. Agency for International Development (USAID) remaining from the period when Syria received U.S. assistance; Syria also owed \$138.8 million in interest arrears.

Recent Congressional Action

Foreign Operations Appropriation for FY2005. H.R. 4818, the FY2005 Foreign Operations Appropriation bill, which was included as Division D of the Consolidated Appropriations Act, 2005, repeats previous bans on aid to Syria (Sec. 507); it also contains a provision making funds available for democracy, human rights, and rule of law programs for Syria (Section 526(b)(1)) but does not specify a dollar amount for these programs in the case of Syria. President Bush signed the bill as P.L. 108-447 on December 8, 2004.

The Syria Accountability Act. On December 12, 2003, President Bush signed H.R. 1828, the Syria Accountability and Lebanese Sovereignty Restoration Act, as P.L. 108-175. H.R. 1828 was passed by the House on October 15, 2003, and the Senate on November 11, 2003. (The House agreed to a Senate amendment expanding the President's waiver authority on November 20.) This act requires the President to impose penalties on Syria unless it ceases support for international terrorist groups, ends its occupation of Lebanon, ceases the development of weapons of mass destruction (WMD), and has ceased supporting or facilitating terrorist activity in Iraq (Section 5(a) and 5(d)). Sanctions include bans on the export of military items (already banned under other legislation) and of dual use items (items with both civil and military applications) to Syria (Section 5(a)(1)). In addition, the President is required to impose two or more sanctions from a menu of six:

- a ban on all exports to Syria except food and medicine
- a ban on U.S. businesses operating or investing in Syria
- a ban on landing in or overflight of the United States by Syrian aircraft;
- reduction of diplomatic contacts with Syria;
- restrictions on travel by Syrian diplomats in the United States
- blocking of transactions in Syrian property (Section 5(a)(2))

Implementation. On May 11, 2004, President Bush issued Executive Order 13338, implementing the provisions of P.L. 108-175, including the bans on munitions and dual use items (Section 5(a)(1)) and two sanctions from the menu of six listed in Section 5(a)(2). The two sanctions he chose were the ban on exports to Syria other than food and medicine (Section 5(a)(2)(A) and the ban on Syrian aircraft landing in or overflying the United States (Section 5(a)(2)(D). In issuing his executive order, the President stated that Syria has failed to take significant, concrete steps to address the concerns that led to the enactment of the Syria Accountability Act. The President also imposed two additional sanctions based on other legislation.

- Under Section 311 of the USA PATRIOT Act, he instructed the Treasury Department to prepare a rule requiring U.S. financial institutions to sever correspondent accounts with the Commercial Bank of Syria because of money laundering concerns.
- Under the International Emergency Economic Powers Act (IEEPA), he issued instructions to freeze assets of certain Syrian individuals and government entities involved in supporting policies inimical to the United States.

Waivers. In the executive order and in an accompanying letter to Congress, the President cited the waiver authority contained in Section 5(b) of the Syria Accountability Act and stated that he is issuing the following waivers on grounds of national security:

- Regarding Section 5(a)(1) and 5(a)(2)(A): The following exports are permitted: products in support of activities of the U.S. government; medicines otherwise banned because of potential dual use; aircraft parts necessary for flight safety; informational materials; telecommunications equipment to promote free flow of information; certain software and technology; products in support of U.N. operations; and certain exports of a temporary nature.
- Regarding Section 5(a)(2)(D): The following operations are permitted: takeoff/landing of Syrian aircraft chartered to transport Syrian officials on official business to the United States; takeoff/landing for non-traffic and non-scheduled stops; takeoff/landing associated with an emergency; and overflights of U.S. territory.

Implications. The practical effects of implementing the Syria Accountability Act are likely to be limited, at least in the short term. First, as noted above, relatively few U.S. firms operate in Syria, and the trade bans contained in this act do not prohibit their operating in Syria. Fewer U.S. companies may want to operate in Syria in view of the new trade restrictions, and firms that continue to do so may have to rely on foreign suppliers to service their contracts, according to a State Department official as reported in the press.²⁰ Second, the volume of U.S.-Syrian trade is already limited. Syria's main import from the United

²⁰ Christopher Marquis, "Bush Imposes Sanctions on Syria, Citing Ties to Terrorism," *New York Times*, May 12, 2004.

States is cereals, which are permitted under the act. Third, Syrian aircraft do not normally fly to or over United States, and the President has invoked waivers to permit them to do so under exceptional circumstances. Fourth, waivers cover several categories of equipment — telecommunications equipment, aircraft parts; one sanctions specialist believes that products either permitted under the new legislation or covered by waivers constitute a large portion of the more-than-\$200 million which Syria imports from the United States.²¹

Further Steps. Some U.S. officials favor tightening sanctions against Syria further in view of reports that it is facilitating or permitting Iraqi insurgents to operate in Syria. On December 23, U.S. Deputy Secretary of State Richard Armitage reportedly warned Syria that the Administration might impose new sanctions if Syria failed to clamp down on fugitive Iraqi ex-officials. Press reports in early January 2005 indicate that the Administration is considering further limits on financial transactions with Syrian banks.²² During her confirmation hearings on January 18, 2005, then Secretary of State-designate Condoleezza Rice warned that Syria risked “long-term bad relations” with the United States and additional sanctions because of its policies regarding terrorism and Iraq. In his State of the Union address on February 2, 2005, the President stated that “Syria still allows its territory, and parts of Lebanon to be used by terrorists who seek to destroy every chance of peace in the region.” He noted that Congress had passed the Syria Accountability Act and that the Administration is applying it. Syrian Ambassador to the United States Imad Mustapha expressed disappointment over President Bush’s portrayal of Syria as a hindrance to peace and added that Syria continues to possess “the will to engage with the United States.”

Extension. In a notice dated March 5, 2005, the President extended by one year the national emergency blocking the property of certain individuals and prohibiting exports to Syria under Executive Order (E.O.) 13338 (see above). He noted that the actions and policies of the government of Syria continue to pose an unusual and extraordinary threat. Subsequently on June 30, 2005, under the provisions of E.O. 13338, the U.S. Treasury Department designated two senior Syrian officials involved in Lebanon affairs, Syria’s Interior Minister and its head of military intelligence in Lebanon, as Specially Designated Nationals, thereby freezing any assets they may have in the United States and banning U.S. transactions with them. Meanwhile on June 9, the Treasury Department blocked property and interests of a Syrian company, SES International Corp., and two of its officials under E.O. 13315, which blocks property of former Iraqi President Saddam Hussein and of his former regime.

²¹ Glenn Kessler, “President Imposes Sanctions On Syria,” *Washington Post*, May 12, 2004.

²² Douglas Jehl, “U.S. Said to Weigh Sanctions on Syria Over Iraqi Network,” *New York Times*, Jan. 5, 2005.