

CRS Report for Congress

Received through the CRS Web

Syria: U.S. Relations and Bilateral Issues

June 22, 2006

Alfred B. Prados
Specialist in Middle Eastern Affairs
Foreign Affairs, Defense, and Trade Division

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, disposition of the Syrian Golan Heights territory, which Israel has occupied since 1967, has been one of the most intractable issues in the Arab-Israeli dispute. This report supercedes Issue Brief IB92075, Syria: U.S. Relations and Bilateral Issues, and will be updated as significant developments occur.

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. 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 has denied these allegations, and cited measures it has taken to tighten its borders.

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. The initial report of a U.N. Commission on October 19, 2005, stated "there is converging evidence pointing at both Lebanese and Syrian involvement" in the Hariri assassination. Investigation by the Commission continues. Meanwhile, under increasing domestic and international pressure, Syria withdrew its forces from Lebanon in April 2005 in accordance with U.N. Security Council Resolution 1559.

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 Foreign Operations Appropriations Act, FY2006, signed by the President as P.L. 109-102, on November 14, 2005, repeats previous bans on U.S. aid to Syria but contains a provision authorizing at least \$6,550,000 for programs to support democracy in Syria and Iran. The aid ban appears again in the House version of the Foreign Operations Appropriation Act, FY2007 (H.R. 5522).

Contents

| | |
|--|----|
| Most Recent Developments | 1 |
| Overview | 1 |
| Syrian-U.S. Bilateral Issues | 1 |
| Arab-Israeli Peace Negotiations | 1 |
| Syrian Role in Lebanon | 2 |
| Resolution 1559 | 2 |
| Assassination of Hariri and Aftermath | 2 |
| Investigations | 3 |
| The Mehlis Report | 3 |
| Further Investigations and Revelations | 5 |
| Withdrawals | 6 |
| Recent Activity Involving the U.N. Security Council: | |
| Resolution 1680 | 7 |
| Relations with Iraq | 8 |
| Trade and Oil | 8 |
| Money | 8 |
| Infiltrators | 8 |
| Equipment | 10 |
| Accusations of Syrian Interference | 10 |
| Arms Proliferation | 11 |
| Chemical and Biological | 12 |
| Nuclear | 12 |
| Missiles | 12 |
| Advanced Conventional Weapons | 12 |
| Possible Acquisitions | 12 |
| Debt | 13 |
| Terrorist Activity | 13 |
| Al Qaeda | 13 |
| U.S. Aid and Sanctions | 14 |
| General Sanctions Applicable to Syria | 14 |
| Specific Sanctions Against Syria | 16 |
| Recent Congressional Action | 16 |
| Foreign Operations Appropriations | 16 |
| The Syria Accountability Act | 17 |

Syria: U.S. Relations and Bilateral Issues

Most Recent Developments

On June 15, 2006, the Security Council extended the mandate of the independent commission investigating the assassination of former Lebanese Prime Minister Rafiq Hariri for an additional year, until June 14, 2007.

On May 17, 2006, the U.N. Security Council adopted Resolution 1680 as a follow-up to a previous resolution (1559) that had called for withdrawal of Syrian troops from Lebanon and for disarming militias in Lebanon. Resolution 1680 noted that some provisions of 1559 had been carried out but others had not, notably the disarming of militias. The new resolution calls on Syria to prevent movement of arms into Lebanon, “strongly encourages” Syria to respond positively to a Lebanese request to delineate their common border and establish full diplomatic relations, and calls for the disbanding of all militias inside Lebanon. Syrian officials rejected the resolution, as “an unjustifiable pressure tool and aggravation that complicates matters rather than solving them.”

Overview

The death of Syrian President Hafiz al-Asad in June 2000 after a 30-year presidency removed a key figure in the affairs of Syria and the region. His son and successor President Bashar al-Asad does not yet appear to have acquired the uncontested power that his father exercised. Although U.S.-Syrian relations improved somewhat in the 1990s, further strains appeared after the breakdown in Syrian-Israeli negotiations in 2000, Syria’s opposition to a U.S. military campaign in Iraq, and disagreements over Syria’s former role in Lebanon. 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.

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 Hafiz al-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. Israeli leaders either reject withdrawal or accept

partial withdrawal. The two sides also disagree on what would constitute full withdrawal because of slightly differing boundary lines defined in the past. Both sides have suggested a resumption of talks; however, Israel believes talks should begin without pre-conditions, while Syria has insisted that talks resume where the most recent U.S.-sponsored discussions left off in 2000. For more information, see CRS Issue Brief IB91137, *The Middle East Peace Talks*, by Carol Migdalovitz.

Syrian Role in Lebanon

Syria deployed forces to Lebanon in 1976 during 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 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,"¹ while Lebanon's pro-Syrian government described the resolution as interference in the internal affairs of Lebanon.²

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

¹ U.S. officials and other observers have stated that Syria did in fact enter Lebanon in 1976 at the request of the Lebanese Christian leadership, including then President Suleiman Frangieh, to forestall a takeover of Lebanon by Palestinian and radical Muslim militia. See, for example, Yair Efron, *War and Intervention in Lebanon*, Baltimore, The Johns Hopkins University Press, 1987, p. 52.

² On two previous occasions, in 1948 and in 1995, terms of Lebanese presidents have been extended.

group calling for the withdrawal of Syrian troops from Lebanon.³ Many Lebanese opposition groups demonstrated against Syria and the pro-Syrian Lebanese government, charging its leaders with responsibility for Hariri's death. Syrian and Lebanese officials denied involvement and condemned the bombing. Although U.S. officials said the identity of the perpetrators had 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. On February 23, President Bush said Syria must pull both its military forces and its intelligence personnel out of Lebanon.

Investigations. 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 requested the Commission to complete its work within three months from the date it commences operations, authorized the Secretary General to extend the Commission's mandate for another period of up to three months, and requested an oral update every two months while the Commission is functioning. The U.N. Secretary General informed members of the Security Council that the Commission, headed by veteran German prosecutor Detlev Mehlis, was fully operational as of June 16, 2005. On September 8, 2005, the Commission requested a 40-day extension to complete its work.

The Mehlis Report. Tensions mounted as reports circulated that Syrian and Lebanese officials would be implicated in the findings of the Mehlis Commission. After encountering initial resistance from Syria, members of the commission visited Damascus from September 20-23. There they interviewed senior Syrian military and security officials including the last two Syrian chiefs of intelligence in Lebanon, who were widely regarded as the effective viceroys of Lebanon during their respective tenures: Generals Rustom Ghazali and Ghazi Kanaan. Kanaan, who was reassigned to Syria in 2002 and appointed minister of the interior, apparently committed suicide in October 2005. Some observers speculate that Kanaan was killed or forced to commit suicide by Syrian authorities because of what he might reveal — or might already have revealed — about Syrian involvement in the Hariri assassination or that he chose to take his own life because he feared that he would become the scapegoat

³ While still prime minister, Hariri had reluctantly voted for the extension of Lahoud's term after a meeting with Syrian President Bashar al-Asad in late August 2004. According to a Paris-based newsletter, *Intelligence Online*, at the meeting Asad used threatening language that Hariri surreptitiously captured with a "recording pen" and subsequently passed to the presidents of the United States, France, and Pakistan. Therese Sfeir, "Kuwaiti Paper Claims Syria Ready to Cut Deal with France over Hariri Investigation," *The Daily Star* — Beirut, Sept. 19, 2005.

for Syrian actions in Lebanon. Kanaan is not mentioned in the Commission's report of October 19 (see below).

The 54-page Mehlis report, submitted to the U.N. Security Council on October 19, did not result in a conclusive finding of culpability. The report did state that "there is converging evidence pointing at both Lebanese and Syrian involvement in this terrorist act." The report notes a pervasive presence of Syrian military intelligence in Lebanon at the time, and adds that "[G]iven the infiltration of Lebanese institutions and society by the Syrian and Lebanese intelligence services working in tandem, it would be difficult to envisage a scenario whereby such a complex assassination plot could have been carried out without their knowledge." An earlier unpublished version of the Mehlis report is said to have listed the names of five of the senior officers, including President Asad's brother, Maher al-Asad, and the President's brother-in-law, Assef Shawkat, chief of military intelligence and widely considered the second most powerful official in the regime. The Commission also stated that the investigation is not complete and more leads need to be followed. U.N. Secretary General Kofi Annan extended the Commission's mandate until December 15.

On October 31, 2005, the U.N. Security Council unanimously adopted Resolution 1636, which requires Syria to cooperate "fully and unconditionally" with the Mehlis investigation into the assassination of the late Lebanese Prime Minister Rafiq Hariri or face unspecified "further action." By dropping a threat of specific economic sanctions that appeared in earlier drafts, the sponsors of the resolution were able to attract support from Russia and China while leaving the door open to the imposition of sanctions at a later date. U.S. officials noted that the resolution was adopted under Chapter VII of the U.N. Charter, which gives the Council power to impose penalties, including use of military force.⁴ After temporizing, Syria acceded to a request by the Mehlis Commission to make five Syrian officials available for questioning by the commission at U.N. offices in Vienna, Austria. The Syrians, whose names were not announced, were reportedly intelligence and security officials, including former Syrian intelligence chief in Lebanon Rustom Ghazali; meetings took place between December 5 and 7. In the meantime, a former key witness in the Mehlis report and self-described Syrian intelligence agent — Hussam Tahir Hussam — recanted his testimony on November 28 on Syrian television, saying that Lebanese officials had forced him to implicate Syria under a combination of duress and bribery. Lebanese officials have rejected the revised statement, and Mehlis expressed doubts about the witness's veracity.

On December 12, 2005, the Mehlis commission submitted a follow-on report, which states that "[t]he Commission's conclusions set out in its previous report ... remain valid." According to the follow-on report, the Commission interviewed additional witnesses (for a total of 500 as of December 12), identified 19 suspects (reportedly including the five Syrian officers interviewed in Vienna), and reviewed additional documentation. Statements by two of the suspects indicated that all Syrian intelligence documents concerning Lebanon had been burned. Also, the head of a

⁴ Warren Hoge, "U.N. Tells Syria to Stop Impeding Slaying Inquiry," *New York Times*, Nov. 1, 2005.

separate Syrian investigative commission informed the Mehlis Commission that no material regarding the Hariri assassination had been found in Syrian archives. The Mehlis follow-on report further expresses the view that Hussam, the witness who recanted his statement, “is being manipulated by the Syrian authorities.” The report stated that “[t]he detailed information [from the additional statements and documents reviewed by the commission] points directly at perpetrators, sponsors and organizers of an organized operation aiming at killing Mr. Hariri, including the recruitment of special agents by the Lebanese and Syrian intelligence services.” On December 15, the U.N. Security Council adopted Resolution 1644, which extended the mandate of the Independent Commission by another six months until June 15, 2006, as recommended by the Commission’s report. In January 2006, Mehlis resigned in order to return to his position in Germany and was succeeded by Serge Brammertz, a Belgian prosecutor serving with the International Criminal Court.

Further Investigations and Revelations. On March 14, 2006, Brammertz released his first progress report to the U.N. Security Council. The report emphasized technical aspects of the investigation and did not contain specific accusations. Syrian spokesmen put a positive interpretation on the Brammertz report, describing it as “realistic” and having “a lot of professionalism” (Dow Jones & Co., Inc., March 15, 2006). Early in 2006, the Commission met with several Syrian officials, including newly appointed foreign minister Walid al-Mouallem, who told a Lebanese TV station on March 5 that “[w]e will cooperate with this commission.” President Asad, who had temporized for several months over the Commission’s demand to interview him, agreed to meet Brammertz pursuant to an understanding that will give the Commission access to individuals, sites, and information, including the head of state (Paragraphs 91-95 of the Brammertz report). Subsequently, news media reported that Brammertz met with the Syrian President and Vice President in Damascus on April 23; however, the news reports did not give details on the course of the meetings.

Brammertz released his second progress report to the U.N. Security Council on June 14, 2006. Like its predecessor, the June 14 report did not name suspects; however, it described the crime as “a targeted assassination.” Brammertz said the level of assistance provided by Syria to the Commission during the reporting period “has generally been satisfactory,” with that country responding to all requests in a timely manner. Brammertz welcomed and endorsed the request of the Lebanese government for a one-year extension of the Commission’s mandate. On the following day, June 15, the Security Council unanimously adopted Resolution 1686, which extended the Commission’s mandate until June 14, 2007 and supported the extension of the Commission’s mandate to offer further technical assistance to Lebanese investigation of other possibly related assassinations during the last two years.

Meanwhile, in an interview in Paris broadcast on December 30 by UAE-based news channel *al-Arabiya TV*, former Syrian Vice President Abd al-Halim Khaddam made serious accusations against the Syrian regime, recounting threats voiced by Asad in a conversation with Hariri to “crush whoever acts against our decision” [to extend Lebanese President Lahoud’s term of office]. Khaddam, a former pillar of the Syrian regime who resigned his post as Vice President in June 2005 after serving in that position for 22 years, expressed the view that no security apparatus in Syria

could make a unilateral decision to conduct an assassination. Syria's ruling Ba'ath Party voted to expel Khaddam after his *al-Arabiya* interview, members of Syria's loyalist parliament called for Khaddam to be tried for treason, and the Syrian government reportedly froze Khaddam's assets. Khaddam further stated that he is forming a government in exile, but response has been cool, even from anti-Syrian Lebanese factions and from Syria's small opposition groups. Khaddam's defection helped precipitate a government reshuffle in which former Foreign Minister Farouq al-Shar'a, generally regarded as a hard liner, became Vice President and was replaced by Mouallem in his previous position as foreign minister. A leading Beirut newspaper interpreted the reshuffle as reflecting determination on Asad's part to resist international pressures, although the new foreign minister is described as a moderate.

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 April 26, 2005, 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 his *first* semi-annual report on the implementation of Security Council Resolution 1559, 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 Syrian 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 prominent anti-Syrian Lebanese personalities, the Secretary General announced that he was sending the verification team back to Lebanon to see if Syrian intelligence agents were still in the country.

The team returned on July 11 and subsequently submitted a report to Annan. In his *second* semi-annual report on implementation of Resolution 1559, submitted on October 26, 2005, Annan reported that "[o]verall, the team corroborated its earlier conclusion that there was no remaining visible or significant Syrian intelligence presence or activity in Lebanon, though the distinctly close historical and other ties between the Syrian Arab Republic and Lebanon also had to be taken into account when assessing a possibly ongoing influence of Syrian intelligence in Lebanon." According to the Secretary General, the team acknowledged some credible reports that Syrian intelligence continued to influence events in Lebanon but that most of these reports were exaggerated. The Secretary General noted that other requirements of Resolution 1559 remained to be implemented, particularly disbanding and disarming Lebanese and non-Lebanese militia (notably Hizballah and several Palestinian groups) and extension of Lebanese government control throughout all of the country.⁵ The *third* semi-annual report, submitted to the Security Council on April 19, 2006, came to largely similar conclusions.

⁵ Text of report is attached to U.N. Security Council document S/2005/673, Oct. 26, 2005.

Although Syrian forces had departed Lebanon before the Lebanese parliamentary elections in late May and June, 2005, some observers think Syrian officials may be trying 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 (as he has reportedly been doing since late 2005), or weaken Asad's position, possibly leaving the country vulnerable to some type of Islamist rule.

Recent Activity Involving the U.N. Security Council: Resolution 1680. As concerns continued over a possible Syrian "shadow" presence in Lebanon, sentiment began to build among some members of the Security Council to consider further follow-up action. Speaking to reporters on April 26, 2006, U.S. Ambassador to the U.N. John Bolton suggested that another Security Council resolution might be appropriate as a means of "highlighting the areas of deficiency in Syria's performance under 1559 and possibly under 1595 as well" to show the Council's "continuing resolve" on the question of Lebanon. After further consultation among U.S., British, and French representatives, on May 17, 2006 the Security Council adopted Resolution 1680 by a vote of 13 to 0. Russia and China, which had favored a Security Council presidential statement rather than another resolution, abstained. The resolution noted progress in implementing provisions of Resolution 1559 but noted with regret that some provisions of Resolution 1559 have not yet been met. The resolution calls on Syria to prevent movement of arms into Lebanon, "strongly encourages" Syria to respond positively to the request by Lebanon to delineate their common border and establish full diplomatic relations, and calls for disbanding all militias inside Lebanon. Resolution 1680 does not mention Iran by name; however, the resolution "welcomes" the third semi-annual report of the U.N. Secretary General (Resolution 1559), which in turn speaks of the "necessary cooperation of all other relevant parties, including the Syrian Arab Republic and the Islamic Republic of Iran." Ambassador Bolton stated that "that reference makes it unambiguously clear that Iran is referred to" by Resolution 1680.⁷

Syrian officials and supporters rejected the resolution. Syria's Foreign Ministry issued a statement saying that it "constitutes an unjustifiable pressure tool and aggravation that complicates matters rather than solving them." A pro-Syrian Lebanese political party described Resolution 1680 as "a dangerous precedent that

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

⁷ Warren Hoge, "U.N. Council Urges Syria to Set Ties With Lebanon," *The New York Times*, May 18, 2006.

violates sovereignty of countries.”⁸ Russia’s U.N. Ambassador said he disagreed with using the Security Council as a medium for Syrian-Lebanese discussion, while the Chinese Deputy Ambassador said China does not believe the Security Council should get involved in bilateral issues.

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. U.S. military forces shut down the pipeline in April 2003 after the war began. According to officials of the U.S. State Department and the IRS in testimony before the House International Relations Committee on July 27, 2005, revenues from the sale of Iraqi oil were placed in trade and cash accounts in the Syrian Commercial Bank and its affiliates and used by Iraq to purchase goods from Syrian vendors during the last three years of Saddam Hussein’s regime. Witnesses stated that these arrangements generated \$3.4 billion in funds outside the U.N.-approved oil-for-food program for Iraq between June 2000 and July 2003.

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.⁹ 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 stated that wealthy donors were funneling money through Syria to the Iraqi resistance and added that only half of an estimated \$1 billion transferred from the former Iraqi regime to Syrian banks had been recovered.¹⁰

Infiltrators. U.S. officials continue to charge that Syria is allowing pro-Saddam volunteers from various Arab countries including Syria itself to cross its

⁸ American Embassy, Damascus, Syria, via LOC Cairo, Damascus Media Reaction, May 29, 2006.

⁹ Scott Wilson, “U.S. Pressing Syria On Iraq Border Security,” *Washington Post*, Sept. 20, 2004, p. A16.

¹⁰ Eric Schmitt and Thom Shanker, “Estimates by U.S. See More Rebels With More Funds,” *New York Times*, Oct. 22, 2004.

375-mile border into Iraq. In its annual publication *Country Reports on Terrorism: 2005* (published on April 28, 2006), the U.S. State Department said Syria has made efforts to limit the movement of foreign fighters into Iraq. 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, then 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 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.

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; the U.S. Ambassador to Iraq, for example, has accused Syria of allowing terrorists to operate training camps within Syria for insurgents bound for Iraq. 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.) An August 1, 2005, article in *Defense News* quotes the Syrian deputy

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.

foreign minister as citing several recent steps Syria has taken to reduce infiltration: 5,000 Syrian guards staffing posts with 25 rear support positions and conducting 50 moving patrols per day; detention of 1,240 foreign fighters and 4,000 Syrian nationals trying to enter Iraq to join the insurgency; a survey of Syrian night vision needs by a British team in 2004. In an October 5, 2005 letter from the Syrian Ambassador in Washington to a Member of Congress, the Ambassador noted several recent steps taken by Syria to secure its borders, including the following:¹⁵

- Increasing border troops from “a few hundred to 10,000 in the last two years”;
- Building sand barriers, raising their height to 12 feet along a 130-mile segment of border;
- Installing barbed wire, in some cases double-layered; and
- Erecting approximately 540 military outposts, at intervals ranging from 400 to 3,000 meters, depending on the sensitivity of the area.

The Ambassador added that, as a result of these measures, Syria had captured 1,500 individuals trying to cross the border, handed them back to authorities of their countries, or put them in prison.

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, then 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.

Accusations of Syrian Interference. U.S. and Iraqi officials have accused Syria on several occasions since late 2004 of interfering in Iraq and aiding the late 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, 2004, President Bush warned Syria and Iran that “meddling in the

¹⁵ The Ambassador’s letter represented a response to an inquiry by 100 Members of Congress. Available online at [<http://faculty-staff.ou.edu/L/Joshua.M.Landis-1/syriablog/>]. Title of item: “Syria is being Set Up to Fail: A Leaked Letter from Washington,” Oct. 23, 2005. Accessed June 10, 2006.

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

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 2005, 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.

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, 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 Acquisitions. 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. 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. During a later visit to Israel in April, 2005, however, Putin said that he understood Israeli security concerns but that the missiles Russia was selling Syria could not be used to target Israeli territory and that he had vetoed longer range missiles. (“Putin Pushes Summit Proposal on Israeli Trip,” *New York Times*, April 28, 2005.) It was not clear if Putin was planning to sell the SS-26, which with its maximum range of 175 miles would appear able to reach

significant parts of Israel. On October 3, 2005, Agence France-Presse reported a visit to Moscow by Syrian Armed Forces chief of staff Ali Habib to discuss maintenance and modernization of Syrian equipment by Russian experts, an increase in Syrian military personnel undergoing training in Russia (from 30 to 50, according to one report), and Syrian purchase of ammunition. Habib also reportedly visited a Russian factory that produces Kornet-E anti-tank missiles.

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 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 five — 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, 2005*, published on April 28, 2006), 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 political and material support 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, although there have been indications since early 2006 that the Syrian regime has been courting Islamists as a

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.

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

counterweight to other internal dissident groups.¹⁹ Since the September 11 attacks, a number of reports, including the State Department's *Country Reports on Terrorism, 2005*, indicate that Syria has cooperated with the United States and other foreign governments against Al Qaeda and other terrorist organizations in the past, 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 subsequent news report, Syria helped unravel a plot by an Al Qaeda group in Canada to attack U.S. and Canadian government installations.²⁰ 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. According to the 2005 terrorism report (see above), in May 2005 the Syrian Government ended intelligence cooperation with the United States, citing U.S. complaints that Syrian cooperation against border crossings into Iraq was inadequate.

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.)

¹⁹ Christine Spolar, "Syria's strange political spring," *Chicago Tribune*, May 28, 2006.

²⁰ "Syrian Reforms Gain Momentum In Wake Of War," *Washington Post*, May 12, 2003.

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, 2005*, published on April 28, 2006. 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 then 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. Since then, several measures have been introduced in previous Congresses to forbid virtually all financial transactions with Syria but none were 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. 3057 (P.L. 109-102 — see below). Section 512 of P.L. 109-102, sometimes known as the Brooke Amendment after an earlier version of this provision, bans assistance to any country in default to the United States for over a year. 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.

Recent Congressional Action

Foreign Operations Appropriations. H.R. 3057, the FY2006 Foreign Operations Appropriation Act, repeats previous bans on aid to Syria (Section 507); however, it also contains a provision requiring that not less than \$6,550,000 be made available for programs supporting democracy in Syria and Iran, as well as unspecified amounts of additional funds under this act to support democracy, governance, human rights, and rule of law programs for these two countries. President Bush signed the bill as P.L. 109-102 on November 14, 2005. H.R. 5522, The Foreign Operations Appropriations Act, FY2007, repeats the previous bans on aid to Syria (Section 507) but does not contain money for democracy programs.

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; and
- 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.²¹ Second, the volume of U.S.-Syrian trade is already limited. Syria's main import from the United 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.²²

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, 2004, 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.²³ 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

²¹ Christopher Marquis, “Bush Imposes Sanctions on Syria, Citing Ties to Terrorism,” *New York Times*, May 12, 2004.

²² Glenn Kessler, “President Imposes Sanctions On Syria,” *Washington Post*, May 12, 2004.

²³ Douglas Jehl, “U.S. Said to Weigh Sanctions on Syria Over Iraqi Network,” *New York Times*, Jan. 5, 2005.

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 then Interior Minister and its head of military intelligence in Lebanon (respectively the late General Kanaan and General Ghazali, see above), as Specially Designated Nationals, thereby freezing any assets they may have in the United States and banning U.S. transactions with them. On January 18, 2006, the Treasury Department took the same actions against the President's brother-in-law, Assef Shawkat, chief of military intelligence. Meanwhile on June 9, 2005, 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.