

# CRS Report for Congress

## Syria: U.S. Relations and Bilateral Issues

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## Summary

An array of bilateral issues continues 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, largely because of 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, which imposed additional economic sanctions against Syria. 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.

Since the summer 2006 Israel-Hezbollah war, U.S. officials have increased their criticism of Syria's political and logistical support for Hezbollah. U.S. officials and Members of Congress have blamed Syria for acting as a conduit for the transfer of rockets and other arms to Hezbollah units, thereby enabling Hezbollah units to engage in military action against Israeli targets. After the passage of U.N. Security Council Resolution 1701, which called for cessation of hostilities and other measures to bring about peace in the region, the leaders of Syria and Iran claimed a victory, maintaining that their protégé, Hezbollah, had compelled Israel to accept a partial withdrawal from southern Lebanon.

In December 2006, the Iraq Study Group (ISG) Report recommended that the United States engage Syria in a regional dialogue on the situation in Iraq in order to avert further sectarian strife and regional war. The ISG also called for a resumption in the Arab-Israeli peace process and recommended that such a process involve all parties including Syria.

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## Internal Political Scene

### The Asad Regime

The death of Syrian President Hafiz al-Asad on June 10, 2000, removed one of the longest serving heads of state in the Middle East and a key figure in regional affairs. The late President Asad, a former air force commander and minister of defense, came to power in a bloodless coup in November 1970 and was elected to repetitive seven-year terms thereafter by referendum, most recently in 1999. Hardworking, ascetic, and usually cautious, the late President exercised uncontested authority through his personal prestige, his control of the armed forces and other centers of power, and his success in exploiting regional developments to Syria's advantage. Although maintaining that he had inaugurated a Syrian version of *perestroika* through political reforms and approval of a nominal (and severely restricted) multi-party system, the elder Asad seems to have done little to open up what remained an authoritarian regime.

President Bashar al-Asad, who succeeded his father in 2000 in a smooth transfer of power, has pursued some economic reforms, but many observers believe he remains less capable than his father and circumscribed by other power elites who have a vested interest in maintaining the status quo. An ophthalmologist who had held the rank of colonel in the Syrian Army, Bashar had no government position at the time of his father's death. The new president initially permitted somewhat freer discussion of political issues; however, starting in 2001, probably under conservative pressure, the government curtailed opposition activities. Observers have described President Bashar al-Asad's modernization programs as akin to the Chinese model, with emphasis on economic reform while retaining one-party rule.

#### Key Members of the Asad Family

**Bashar al-Asad** - The 41-year old President of Syria and married to Asma' al-Akhras, a British-born Syrian Sunni Muslim and formerly an investment banker at J.P. Morgan.

**Maher al-Asad** - The younger brother of Bashar, he heads the Presidential Guard and other military agencies.

**Bushra al-Asad & Assef Shawkat** - Bushra is the older sister of Bashar, and she is rumored to be a key decision-maker. Her husband, Assef Shawkat, is head of military intelligence and part of the President's inner circle.

## Pillars of the Regime

**The Alawite Sect.** The Alawite religious sect, which evolved from the Shi'ite sect of Islam, constitutes approximately 12% of the Syrian population. Formerly the most economically deprived and socially disadvantaged group in Syria, the Alawites rose rapidly in the ranks of the military establishment and the ruling Ba'th Party in the 1960s and have dominated political life in Syria since then. The Alawite community as a whole, and the Asad family in particular, constituted an important power base for the late President Hafiz al-Asad and at least for the time being have rallied behind his son and successor. Though committed to maintaining the primacy of the Alawite community, the Asads have sought with some success to coopt support from other sects; many senior positions, including that of prime minister, are ordinarily held by members of the Sunni Muslim majority. However, most key positions, particularly in the security institutions, remain in Alawite hands, and some observers believe that any weakening of the central regime or an outbreak of political turmoil could precipitate a power struggle between entrenched Alawites and the majority Sunni Muslims, who comprise over 70% of the population. Others see the possibility of a split within the Alawite community itself, possibly over succession issues.<sup>1</sup> In the past, sectarian cohesiveness has been sufficient to avoid a major split within the Alawite leadership.

**The Ba'th Party.** The socialist, pan-Arab Ba'th Party, whose rival wing governed Iraq before the collapse of Saddam Hussein's regime, came to power in Syria in 1963. Although the Syrian Constitution specifies a leading role for the Ba'th Party and the party provides the regime with political legitimacy, the Ba'th is more an instrument for the execution of policy than an originator of policy. Many Ba'thists are not Alawites, but there is a complex synergistic relationship between the party and the community, and one commentator, writing some years ago, went so far as to say that "it is not, in any real sense, the Ba'thists who run this country. It is the Alawites...."<sup>2</sup> Another commentator describes the system as "Alawi-dominated Ba'thist rule."<sup>3</sup>

Still, barring a major governmental change, a Syrian leader would need to enjoy the support of the Ba'th Party apparatus. The party's top decision-making body, known as the "Regional Command," sits at the top of Syria's policy-making process, and membership in this body is a stepping stone to top positions in Syria. In June 2000, when senior Syrian officials were orchestrating the succession of Bashar al-Asad to the presidency after the death of his father, one of their first steps was to arrange for Bashar to be elected Secretary General of the Regional Command,

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<sup>1</sup> A power struggle involving both the Asad family and senior officers from other Alawite families took place in the early 1980s. Van Dam, Nikolaos, *The Struggle for Power in Syria*. New York, St. Martin's Press, 1996. pp. 118-135. Later, after the death of President Hafiz al-Asad in 2000, there was brief concern that the late president's exiled brother might seek the presidency; however, this did not materialize.

<sup>2</sup> David Hirst, *The Guardian*, June 26, 1979.

<sup>3</sup> Van Dam, p. 100.

replacing his late father. Other vacancies were filled by officials supportive of the new president.

**The Military and Security Establishment.** The role of the armed forces and national security services has figured prominently in most Syrian regimes and predates by some years the establishment of the Ba’thist regime. Factionalism within the armed forces was a key cause of instability in Syria in the past, as military cliques jockeyed for power and made and unmade governments with considerable frequency. This situation changed abruptly after 1970 as the elder Asad gained a position of unquestioned supremacy over the military and security forces. The late President appointed long-standing supporters, particularly from his Alawite sect, to key military command positions and sensitive intelligence posts, thereby creating a military elite that could be relied upon to help maintain the Asad regime in power.

President Bashar al-Asad does not have the deep connections to the Syrian armed forces that his father had. Upon the death of his older brother Basil, who had been considered the heir apparent, Bashar returned from advanced medical studies in London to Damascus in 1994 at the late President Asad’s request and held several military positions, notably as commander of the Presidential Guards with the rank of colonel. Upon his elevation to the Presidency, Bashar inherited a ready-made politico-military apparatus that assured a smooth succession but also limited the new President’s freedom of action, in the view of some commentators. Several key officials, including Syria’s long-time minister of defense, have retired, as the President has sought to put his own stamp on the government, but some observers doubt that the “old guard” has yielded that much power. There appear to be conflicting viewpoints as to whether “a new leadership is indeed emerging,” or whether recent changes are “simply the natural erosion created by senior officers reaching retirement age.”<sup>4</sup>

## Other Support Groups

Although the preceding entities have long formed the mainstay of the Syrian regime, there are other groups on which Syria’s leadership can rely to some degree to broaden its support base. During his multi-term tenure, the late President Hafiz al-Asad was able to garner support from various ethnic, sectarian, and socio-economic groups not necessarily represented in his core constituency. Various motives influenced members of such groups to support or acquiesce in the Asad regime. Some welcomed the relative stability of the Asad regime after two decades of instability and repetitive military coups. Others felt a sense of pride in Asad’s consistently nationalist stands on regional issues. Secular-minded Syrians and members of religious minority groups approved of his opposition to a theocratic state and his measures to suppress the fundamentalist Muslim Brotherhood. Still others were overawed by pervasive and often heavy-handed police and security controls. It appears that for the time being at least, the younger Asad has benefitted from these sources of additional support that his late father was able to coopt. At the same time, some observers have warned that discontent is growing as a result of the President’s

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<sup>4</sup> Michael Collins Dunn, “Changes to the Old Guard,” *The Estimate*, June 28, 2004.

“apparent inability to curb the excesses of the powerful and super-rich clique of regime leaders.”<sup>5</sup>

## The Syrian Opposition

**The Syrian Muslim Brotherhood.** Since the rise of political Islam as an opposition vehicle in the Middle East decades ago, culminating in the 1979 overthrow of the Shah of Iran, U.S. policymakers have been concerned that secular Arab dictatorships like Syria would face rising opposition from Islamist groups seeking their overthrow. Although Syria faced violent challenges from such groups during the decades of the 1970s and 1980s, the Syrian security state has by and large succeeded in eliminating any organized Islamist opposition. Once considered the most imminent threat to Syrian stability, the Syrian Muslim Brotherhood, formerly the largest Islamist opposition group,<sup>6</sup> has been largely in exile since its crushing defeat at the hands of the Asad regime in 1982, when Syrian forces attacked the Brotherhood’s stronghold in the city of Hama and killed approximately 10,000 people. Since then, the government has attempted to coopt the forces of political Islam by continuing to outlaw the Muslim Brotherhood and keep its activists in prison, while promoting Islam as a social force for national unification.<sup>7</sup> Over the past twenty years, the Syrian government has financed the construction of new mosques, aired more Islamic programming on state television, loosened restrictions on public religious celebrations and weddings, and monitored the sermons of clerics, many of whom are on the state’s payroll. At the same time, the Syrian government, like other dictatorships in the region, has used the threat of “homegrown” Islamist violence in order to justify one-party rule and has frequently exaggerated its threat in order to bolster its own appeal to Western governments. Syria has received some favorable attention for its reported cooperation with U.S. intelligence agencies in detaining and tracking Al Qaeda operatives in the Middle East and in Europe, although some U.S. officials have discounted these contributions.

**Syrian Dissidents, Exiles, and Defectors Abroad.** In March 2006, former Syrian Vice-President Abd-al-Halim Khaddam and Sadr-al-Din al-Bayanuni, the London-based leader of Syrian Muslim Brotherhood, formed The National Salvation Front (NSF), a coalition of secular and Islamist opposition activists based primarily outside of Syria. The NSF, which attempts to bridge the gap between religious and secular Syrians, is non-sectarian though its membership appears to be mostly Sunni. It has called for the peaceful removal of the Asad regime without outside intervention, though some analysts doubt that the NSF will be able to make inroads within Syrian society due to the regime’s effective security apparatus. In 2006, Syrian authorities prevented many dissidents from leaving Syria.

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<sup>5</sup> Nicholas Blanford, “As Reform Falters, Syrian Elite Tighten Grip,” *The Christian Science Monitor*, Sept. 30, 2003, p. 6.

<sup>6</sup> The Syrian Muslim Brotherhood, an off-shoot of its larger Egyptian counterpart, has been banned in Syria since 1958, and according to a 1980 law (Emergency Law #49), known membership in the group is punishable by execution. See, Ghada Hashem Telhami, “Syria: Islam, Arab Nationalism and the Military,” *Middle East Policy*, Vol. 8, Iss. 4; Dec. 2001.

<sup>7</sup> See International Crisis Group (ICG), “Syria Under Bashar (II): Domestic Policy Challenges,” *ICG Middle East Report #24*, Feb. 2004.



Other Syrian expatriates in the West have started to take a more active role in encouraging the United States and Europe to pressure the Syrian government. In 2003, a U.S.-based Syrian, Farid Ghadry, started the Reform Party of Syria (RPS), an opposition party that is committed to seeing a “New Syria,” which embraces real democratic and economic reforms.<sup>8</sup> Some analysts believe that the Syrian exile groups have little credibility inside Syria and have adopted the techniques of Iraqi exile groups, such as the Iraqi National Congress.

## Domestic Challenges

### Syria’s Stagnant Economy

Since the end of Soviet financial and military support for Syria in the late 1980s, many observers have questioned the ability of the Syrian economy to grow on its own and keep pace with its rapidly rising population. Syria’s economy is still dominated by an inefficient public sector, which employs 73% of the labor force but only

#### Snapshot of the Syrian Economy

Total Population:	19 million
GDP Per Capita:	\$1,380
GDP Growth:	4.2%
Population Growth:	2.5%
Inflation:	6.6%

**Source:** World Bank

generates 33% of Gross Domestic Product (GDP).<sup>9</sup> With a bloated bureaucracy that is slow to respond to commercial opportunities, Syria receives little foreign investment and depends heavily on remittances from Syrians working abroad. Public subsidies for oil and other basic commodities constitute a significant percentage of GDP. Corruption is endemic, costing Syria an estimated \$4 billion annually.<sup>10</sup> The national budget devotes an estimated 40%-50% of government revenue to military and intelligence spending, leaving little for infrastructure investment and education. Some speculate that Syria faces a potential “day of reckoning,” when the government may have to cope with an economy that can no longer keep pace with population growth or depend on dwindling oil reserves for revenues.

**A Future Without Oil?** Syria’s largely state-controlled economy depends on revenues from its domestic oil production, which accounts for an estimated 40%-50% of state income and 60%-70% of Syrian exports. Syria has one of the smallest known reserves of oil in the Middle East, and most energy experts believe that, barring significant new discoveries, Syria will exhaust its oil reserves in the coming decades, thereby depriving Syria’s largely state-based economy of badly needed revenues. The International Monetary Fund forecasts that Syria will become a net importer of

<sup>8</sup> For more information on the RPS, see their website at [<http://reformsyria.org/>].

<sup>9</sup> Euro-Med Partnership, “Country Strategy Paper 2002-2006,” no date.

<sup>10</sup> “Prospects 2004: Shifts Likely on Arab-Israeli Front,” *Oxford Analytica*, Dec. 22, 2003.

oil by 2010.<sup>11</sup> Syria lost a valuable source of extra oil income when the United States halted illegal shipments of Iraqi oil to Syria after the U.S. invasion in April 2003.<sup>12</sup> Income from Syrian oil revenues is already on the decline, as Syrian population growth has forced more oil to be allocated for domestic consumption rather than international export.<sup>13</sup> Syria's natural gas industry is, for the moment, a more promising source of government revenue, as several international companies have made investments in gas field development and processing.

**Economic Reform.** President Asad has attempted to liberalize some sectors of the Syrian economy, and in recent years, the banking industry has been partially privatized, customs duties have been reduced, and foreign investment has increased, particularly from Persian Gulf states. Nevertheless, the expansion of the Syrian private sector may simply be a technique to enrich traditional members of the elite who are looking to gain new footholds in certain industries.

## Sectarian and Ethnic Divisions

As in several countries in the Middle East, the Syrian population is divided along both ethnic and religious sectarian lines. A majority of Syrians, roughly 90% of the population, are ethnic Arabs; however, the country contains small ethnic minorities, notably Kurds. Historically, Syrian Kurds have been much more passive than their fellow Kurds in Iraq, Turkey, and Iran; however, some observers speculate that Syrian Kurds are becoming more assertive

### Religions in Syria

Sunni Muslim	74%
Alawite	11%
Christian	10%
Druze	3%
Ismaili	1.5%

Source: U.S. State Dept.

<sup>11</sup> "Syria's Foreign Policies Impede Economic Progress, Dardari Says," *Bloomberg.com*, Oct. 17, 2006.

<sup>12</sup> From 2000 - 2003, Iraq under Saddam Hussein had reportedly been providing Syria with between 120,000- 200,000 barrels per day at discounted prices from a pipeline between the northern Iraqi city of Kirkuk and the Syrian port of Banias. These deliveries were in violation of U.N. sanctions against Iraq and allowed Syria to export more of its own oil for sale on the international market. Over the past few years, Syrian oil production has averaged around 415,000 barrels per day. Overall, some estimate that the 2003 Iraq war cost Syria at least \$2 billion a year, of which \$1 billion came from reduced trade and the other \$1 billion from the lost illegal oil deliveries. See "Syrian Reforms Gain Momentum in Wake of War," *Washington Post*, May 12, 2003.

<sup>13</sup> With no recent major discoveries of oil and natural gas, Syria hopes to attract investment from foreign energy companies in order to acquire the technology required to extract more oil and gas from existing sites. Due to U.S.-Syrian tensions and the prospect of additional U.S.-imposed sanctions, most U.S. energy corporations have sold their assets in Syria. Gulfsands Petroleum remains in Syria and owns a 50% working interest and is the operator of Block 26 in North East Syria. In 2007, Gulfsands discovered new oil fields off the coast. Marathon Oil Corporation maintains a minor stake in a natural gas production sharing contract with Petro-Canada. Other foreign energy firms in Syria include Royal Dutch Shell, Petro-Canada, India's Oil and Natural Gas Corp. (ONGC), China National Petroleum Corp. (CNPC), Total (France), and Stroitransgas (Russia).

and influenced by the advances made by their ethnic kin in neighboring countries. Of more importance in Syria are religious sectarian divisions. In addition to the majority Sunni Muslims, who comprise over 70% of the population, Syria contains several religious sectarian minorities including three small sects related to Islam (Alawites, Druze, and Ismailis) and several Christian denominations. Despite the secular nature of the Ba’thist regime, religious sects are important in Syria as symbols of group identity and determinants of political orientation.<sup>14</sup>

**The Status of Kurds in Syria.** Since its independence in 1946, Syria has defined itself as an Arab state, despite the presence of a large, ethnically distinct Kurdish population in Damascus and in several non-contiguous areas along Syria’s border with Turkey and Iraq. Syria’s Kurds are the largest distinct ethnic/linguistic minority in Syria (7%-10% of total population), of which several hundred thousand have been denied Syrian citizenship under a 1962 census that determined that some Kurds were “alien infiltrators,” who illegally entered Syria from Turkey.<sup>15</sup> Syrian Kurds inhabit agriculturally rich areas, which also contain several of Syria’s most valuable oil and natural gas fields. In an attempt to curb Kurdish demands for greater autonomy, successive Syrian governments since the 1950s have periodically arrested Kurdish political leaders, confiscated some Kurdish land and redistributed it to Syrian Arabs in an attempt to “Arabize” Kurdish regions, and bribed local Kurdish tribal leaders in order to foster disunity among various Kurdish groups.<sup>16</sup>

## Syrian-U.S. Bilateral Issues

The United States and Syria have long had an uneasy relationship, and the July-August 2006 fighting in Lebanon has had a further adverse effect on this relationship. In recent years, Syria has been at the forefront of a number of important U.S. policy issues in the Middle East, and the two sides have been at odds on such issues as the Arab-Israeli conflict, the former Syrian occupation of Lebanon, the war on terror, and U.S. allegations that Syria has failed to curb infiltration of foreign fighters across the border into Iraq. Also, following the terrorist attacks of September 11, 2001, and Administration efforts to foster democracy in the Middle East region, U.S. officials have spoken out against authoritarian regimes like Syria and promoted reform in the “broader Middle East.” After the February 2005 assassination of former Lebanese

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<sup>14</sup> There are several other very small ethnic minorities (Circassians, Turcomans, Armenians) and a minuscule Jewish community; most Jews left Syria after the removal of travel restrictions on them in the 1990s.

<sup>15</sup> George, Allen. *Syria: Neither Bread nor Freedom*, London: Zed Books Ltd, 2003. p. 5

<sup>16</sup> Scholars note that Syrian Kurds, unlike Iraqi Kurds, have had greater difficulty in forging a unified movement due to local feuds, geographic boundaries, divisions between urban-rural Kurds, and Syrian government policies to divide Syria’s Kurds. See Gary C. Gambill, “The Kurdish Reawakening in Syria,” *Middle East Intelligence Bulletin*, vol. 6, no. 4, Apr. 2004. Additionally, some observers caution that, although Syria’s Kurds face restrictions against publishing in Kurdish, restrictions on citizenship and restrictions on property ownership, overall, the plight of Syria’s Kurds does not drastically differ from the economic hardship faced by many average Syrian Arabs. See Tish Durkin, “A Separate State for the Kurds? Some Would Settle for Asphalt,” *National Journal*, vol. 34, no. 6, Nov. 16, 2002.

Prime Minister Rafiq Hariri, widely blamed on Syrian agents, Secretary of State Rice recalled U.S. Ambassador Margaret Scobey to Washington for consultations; Ambassador Scobey has not returned and has reportedly been reassigned to Baghdad.

Currently, an array of U.S. legislative provisions and executive directives prohibit direct aid to Syria and restrict bilateral trade between the two countries, owing in great part to Syria's designation by the U.S. State Department as a state sponsor of international terrorism. The Syria Accountability Act of 2003 reinforces existing bans on aid and restrictions on trade and contains some additional sanctions (see below). At this time, Syria's role in Lebanon is of particular concern to U.S. policy makers.

## **Syria and Its Role in Lebanon**

A cornerstone of Syrian foreign policy is to dominate the internal affairs of Lebanon. For many hard-line Syrian politicians, Lebanon is considered an appendage of the Syrian state, and to this day, there is no official Syrian diplomatic representation in Beirut. From a geo-strategic standpoint, Lebanon is considered Syria's "soft underbelly" and a potential invasion route for Israel. The Lebanese economy also is deeply penetrated by pro-Syrian business interests.

Syria emerged as a key, if indirect, actor in the 2006 Israel-Lebanon-Hezbollah crisis, primarily through its role as a source and conduit for the delivery of rockets and other mainly Iranian weaponry to Hezbollah units in southern Lebanon; some believe Syria is still shipping weapons from its own inventories to Hezbollah as well. The Lebanese civil war of 1975-1990 gave Syria an opportunity for the first time to station troops in Lebanon, ostensibly as part of an Arab League peacekeeping force. Despite a provision in a 1989 accord (known as the Ta'if Agreement) calling for redeployment of Syrian forces within two years, these forces remained in Lebanon, albeit at somewhat reduced levels, until forced to withdraw in April 2005 by international pressure and by a popular outcry in Lebanon over alleged Syrian complicity in the murder of former Lebanese Prime Minister Rafiq Hariri.<sup>17</sup> At the time, many observers interpreted the Syrian withdrawal and subsequent election of an anti-Syrian majority in the Lebanese parliament as a major setback for Syria's ambitions in the region, and some even predicted that the Syrian regime of President Bashar al-Asad might have been seriously weakened in backing down under external pressure. In fact, however, Syria retained some assets in Lebanon, particularly the militant Shiite Muslim organization Hezbollah, which refused to relinquish its arms and continued to support Syria's agenda by periodically attacking Israeli military positions near the Israeli-Lebanese border.

**Syria and the 2006 Israel-Hezbollah War.** After the passage on August 11 of U.N. Security Council Resolution 1701, which brought about a cease-fire to the month-long clashes between Israel and Hezbollah, the leaders of Syria and Iran claimed a victory, maintaining that their protégé, Hezbollah, had compelled Israel to

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<sup>17</sup> Syrian withdrawal from Lebanon was one of the terms of U.N. Security Council Resolution 1559. For more information, see CRS Report RL33509, *Lebanon*, by Alfred B. Prados.

accept a partial withdrawal of its forces from southern Lebanon, and some commentators have agreed that Syria and Iran may have gained as a result of the war.<sup>18</sup> In a speech on August 15, 2006, celebrating Hezbollah's "victory," Syrian President Bashar al-Asad derided U.S. claims of creating a new Middle East as an "illusion" and warned Israel that "that "future generations in the Arab world will find a way to defeat Israel." Some U.N. peacekeeping experts and former U.S. ambassadors with experience in the Middle East expressed the view that failure to involve Syria in the drafting and implementation of the cease-fire resolution will make it more difficult to carry out the terms of the agreement. One former U.N. peacekeeping official said it would be "humanly impossible" to cut off the flow of arms to Hezbollah without Syrian help,<sup>19</sup> commenting on the task of interdicting Lebanon's porous 230-mile border with Syria and 140-mile Mediterranean coast line.

Observers have noted that "Syria appears anxious to reassert its claim as a crucial guarantor of stability in the Middle East." So far, by employing Hezbollah as a proxy against Israel, Syrian policy appears to have reaped benefits without incurring any retaliatory attacks on Syrian territory. Some observers have suggested, however, that Syria's leadership is playing a dangerous game that could lead to reprisals against Syria itself.<sup>20</sup> Others question the amount of authority that Syria ultimately holds over Hezbollah. Some contend that although Syria and Hezbollah have shared interests in Lebanon, Hezbollah has grown more independent of Damascus in recent years.

**The Hariri Investigation.** Shortly after the February 2005 assassination of former Lebanese Prime Minister Rafiq Hariri, the United States, France, and others in the international community were afforded an opportunity to strengthen anti-Syrian elements inside Lebanon by conducting an international investigation into alleged Syrian involvement in the assassination. On April 7, 2006, as domestic and international outrage mounted, the U.N. Security Council adopted Resolution (UNSCR) 1595, under which the council decided to "establish an international independent investigation Commission ('the Commission' or UNIIIC) 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."

Since then, the investigation, first headed by Berlin prosecutor Detlev Mehlis and now conducted by Serge Brammertz, a Belgian prosecutor with the International Criminal Court, has uncovered a number of details pointing to possible Syrian high level government involvement in the assassination. Some of the Commission's findings include the following:

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<sup>18</sup> "Iran And Syria Claim Victory For Hezbollah," *Los Angeles Times*, Aug. 16, 2006.

<sup>19</sup> "Emerging UN Force for Lebanon Doomed by Sidelining Syria: Ex-diplomats," *Agence France-Presse News Wires*, Aug. 17, 2006. The speaker added that "[y]ou cannot control the border with Syria" [without Syrian cooperation].

<sup>20</sup> Kim Murphy, "Crisis May Put Syria Back In Political Mix," *Los Angeles Times*, July 18, 2006.

- “There is converging evidence pointing at both Lebanese and Syrian involvement in this terrorist act.... Given 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.”
- There are a considerable number of links between the Hariri case and six of 15 other attacks against anti-Syrian Lebanese personalities or entities in the last two years.
- “According to Brammertz, “We have a clearer idea of the political context in which the crime occurred... We believe ...that the motive is most likely linked to his political activities.”

Overall, it would appear that Syria has been somewhat successful in surviving the intense international scrutiny that has surrounded its alleged involvement in Hariri’s assassination. Media coverage of the investigation has waned in recent months, as events in Iraq and southern Lebanon have eclipsed it. In March 2007, the Security Council extended the Commission’s mandate until June 15, 2008.

**An International Tribunal?** U.N. Security Council Resolutions 1644 and 1664 adopted on March 29, 2006, directed the U.N. Secretary General to negotiate an agreement with the government of Lebanon aimed at establishing an international tribunal to try suspects in the Hariri assassination. Since then, steps to establish a tribunal have moved forward, but the issue has paralyzed the Lebanese government due to Syrian-Hezbollah complicity in attempting to sabotage the Lebanese government’s approval of the tribunal. Under the terms of the proposed tribunal, Lebanese and international judges would preside over the trial but cannot try or question heads of state. The Lebanese government must approve the tribunal in a cabinet vote, and the Lebanese parliament must pass it into law. On November 25, 2006, the cabinet approved the proposed establishment of the tribunal, but Hezbollah street protests and pledges by the Nabih Berri, the Lebanese Shiite Speaker of Parliament, not to raise the bill for a vote in parliament, have dampened prospects for the convening of a tribunal. In March 2007, 70 pro-government Lebanese members of parliament petitioned the United Nations to establish a tribunal under the authorization of Chapter VII of the United Nations Charter. Four pro-Syrian Lebanese generals have been in jail for 14 months awaiting trial due to allegations of their involvement in the assassination.

## Relations with Iraq

**Evolving Syrian Policies.** For many years, Syria and Iraq had an uneven and often troubled relationship, stemming from political disputes, border tensions, demographic differences, and personal animosity between the country’s former leaders: the late Syrian President Hafiz al-Asad and former Iraqi President Saddam Hussein. Moreover, the two countries were governed by rival wings of the pan-Arab Ba’th Party. In the late 1990s, bilateral relations improved markedly, primarily in the economic sphere. Syria opposed the U.S. decision to launch Operation Iraqi Freedom, which overthrew the regime of Saddam Hussein. Since then, the United

States has accused Syria of instigating or allowing the transfer of weaponry through Syria to Iraq and permitting foreign fighters to transit Syria to Iraq to join the anti-U.S. insurgency. Syrian officials maintain that, despite their efforts, they have found it difficult to secure the porous 375-mile Syrian-Iraqi border and say they have increased border patrols and barriers to block border crossings. Syria has seemed to be walking a somewhat delicate path in handling its relations with Iraq; on the one hand, Syria has reestablished diplomatic relations with Iraq for the first time since the early 1980s, while on the other hand, it has maintained relationships with a variety of groups seeking to disrupt U.S. attempts at Iraqi institution building.

**Figure 1. Map of Syria**



Source: Map Resources. Adapted by CRS.

**Syrian Perspectives and Demographic Concerns.** These apparent inconsistencies may reflect to some degree Syria's ambivalent views of Iraq and the U.S.-supported Iraqi regime. The Syrian regime sees Iraq as an important neighboring state with which it shares many affinities but which it regards as a potential threat and a rival for leadership in the Arab world. Syrian concerns over Iraq are heightened by the ethnic-sectarian divisions that dominate both societies. Syria's Alawite leadership does not necessarily have a favorite among Iraq's Sunnis, Shiites, and Kurds, but is anxious that Iraq's leadership be amenable to Syrian regional goals. Also, given Syria's long-standing reliance on Iran for regional political support, Syrian leaders are likely to accept and support a degree of Iranian

influence over the already Shiite dominated post-war Iraqi government, especially given parallel Syrian and Iranian goals in Lebanon. By the same token, Syria is inclined to support the goals of the radical Lebanese Shiite fundamentalist organization Hezbollah not only in Lebanon but in Iraq as well.

**Economic Factors.** Economic relations between Syria and Iraq are built on a variety of largely unofficial contacts, including illicit trade, smuggling, and influx of refugees. A partial rapprochement between the two countries began in the late 1990s with the resumption of oil shipments on the order of 200,000 barrels per day from Iraq to Syria; these shipments were halted by allied coalition forces after the overthrow of Saddam Hussein in April 2003, but limited commercial ties continued in other sectors, particularly through traditional barter and low-level trade between tribal groups straddling the Syrian-Iraqi border. In a related vein, the large-scale disruption of the Iraqi economy and mounting security threats following the overthrow of Saddam Hussein have created a new dimension to Syrian-Iraqi economic relations in the form of a mass movement of Iraqi refugees seeking to escape privation and insecurity, particularly to Syria and Jordan. Syrian officials reportedly estimate that as many as a million Iraqi refugees have settled at least temporarily in the Damascus suburbs, changing the character of entire neighborhoods and creating strains on the Syrian domestic economy in the form of rising rents, housing demands, and impending water and electricity shortages.<sup>21</sup> So far, Syrian authorities have kept an open door policy regarding these new arrivals; however, there are increasing concerns that the ethnic/sectarian and political factional disputes among Iraqis could be transferred to the Iraqi refugee communities in Syria as well. The Syrian government has sought assistance from the international community in dealing with the Iraqi refugee issue. In March 2007, Ellen R. Sauerbrey, U.S. Assistant Secretary of State for Population, Refugees and Migration, met with Syrian Deputy Foreign Minister Faisal Meqdad in Damascus reportedly to discuss refugee issues.

**Syrian Policy Responses.** The development of future Syrian policy toward Iraq depends on a number of complex variables, including the stability and orientation of the Syrian regime itself and the course of events in Iraq. Syrian goals in Iraq are in some ways obscure, and there are significant differences among outside observers over what the present Syrian regime is seeking and what type of outcome a future Syrian regime might want to see. Some commentators believe that neither Syria nor Iran wants to see Iraq fragment along the lines of Lebanon during its 15-year civil war, with Sunnis and Shiites locked in continued and apparently open-ended fighting. Others counter that Syria seems inclined to continue fomenting strife in Iraq in an effort to tie down U.S. resources, while gaining a free hand to recoup its lost ground in Lebanon over the past two years.<sup>22</sup> There is also a possibility that significant differences over Iraq exist within the Syrian policy-making community

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<sup>21</sup> Hassan M. Fattah, "Uneasy Exiles Await Those Who Flee the Chaos in Iraq," *New York Times*, Dec. 8, 2006; Chris Morris, "Iraq Violence Sparks Exodus to Syria," *BBC News*, Dec. 13, 2006. In its *Background Note: Syria*, updated in October 2006, the U.S. State Department cites a much smaller figure of 100,000 Iraqi refugees in Syria.

<sup>22</sup> For further discussion, see Evan Thomas, "So Now What, Mr. President," *Newsweek*, Dec. 11, 2006, pp. 36-37.



and that the young and relatively inexperienced Syrian president, Dr. Bashar al-Asad, is vacillating among various policy options, giving the impression of a contradictory approach to Syria's Iraq policy.

## Relations with Iran

Syria's historic rivalry with neighboring Iraq created opportunities for improved Syrian relations with Iran, another natural rival of Iraq. The Syrian-Iranian alliance has always been considered a "marriage of convenience," as both countries share regional strategic interests rather than religious or cultural similarities. In recent years, as Syria has grown more estranged from the West, Syrian-Iranian relations have improved, and some analysts have called on U.S. policymakers to "flip" Syria and woo it away from Iran. Reliable information on the extent of Iranian influence in Syria is difficult to quantify. According to one report, Iran has developed close ties with Syrian intelligence, providing gear and training, and sharing listening posts to monitor Israel.<sup>23</sup> Other analysts assert that Syrian-Iranian business ties are expanding, as some reports indicate that Iran has proposed new investments in Syria ranging between one billion and three billion dollars. According to one observer, "If those investments are implemented over the next two to three years, it will allow Iran to replace or offset a lot of the influence Saudi Arabia traditionally has had in Syria."<sup>24</sup>

## 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.

**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 a 2003 unclassified CIA study on Syrian proliferation estimate that "Syria probably also continued to develop a BW capability." Syria has signed, but not ratified, the Biological Weapons Convention.

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<sup>23</sup> "Iran's Strong Ties With Syria Complicate U.S. Overtures," *New York Times*, Dec. 28, 2006.

<sup>24</sup> "Syria Seeks to Gain from Regional Tumult," *Christian Science Monitor*, Mar. 7, 2007.

**Nuclear.** Syria has one small Chinese-supplied nuclear research reactor, which is under International Atomic Energy Agency (IAEA) safeguards. For several years, there have been occasional reports of Syrian-Russian cooperation on civilian nuclear power, but no agreement has ever been fully implemented. In 1998, Russia agreed to supply Syria with a 25 MW light water reactor but plans soon stalled. In 2003, the Russian Foreign Ministry prematurely announced on its website a new Syrian-Russian deal to construct a \$2 billion nuclear facility in Syria. The announcement was removed from the website, and Russia has reportedly retracted the deal. Syria acceded to the Nuclear Non-Proliferation Treaty in 1969; however, U.S. officials have 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 Israeli media sources, Syria recently test-fired two Scud-D ballistic missiles whose range would reach most of Israel.<sup>25</sup>

**Russian Arms Sales to Syria.** Over the past several years, Russia and Syria have concluded several significant arms deals in a revival of their once dormant business relationship. Successive visits by President Asad to Russia have resulted in the cancellation of nearly 73% of Syria's \$13.4 billion debt to Russia from previous arms agreements. Although details are scant on the specifics of new Syrian purchases, several press reports indicate that Syria has recently acquired sophisticated Russian anti-aircraft and anti-tank missiles. According to *Jane's Intelligence Digest*, Syria acquired 9M133 Kornet and 9M131 Metis anti-tank missiles from Russia in 2003 for a reported \$73 million.<sup>26</sup> Despite strong U.S. and Israeli objections, Russia also has sold Syria 9K38 Iгла (SA-18 'Grouse') low-altitude surface-to-air missiles. Israel contends that Syria may transfer these missiles to Hezbollah. During the summer 2006 war in Lebanon, Hezbollah militants reportedly used Syrian-supplied, Russian-manufactured anti-tank missiles against Israeli Merkava tanks, disabling several of them.<sup>27</sup> In February 2007, media reports suggested that Syria may purchase new stockpiles of Russian anti-tank missiles.

Since 2004, Syria has sought to purchase Iskander E short-range ballistic missiles from Russia. The United States and Israel have adamantly protested against such a deal, arguing that if the Syrians were to deploy this system close to Israel's

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<sup>25</sup> "Israeli Paper Reports Syrian Upgraded Scud Launch; DM Warning on Arms to Lebanon," *Yedi'ot Aharonot* (in Hebrew), Open Source Center, Document ID: GMP20070202743002.

<sup>26</sup> "Intelligence Pointers - Syrian Missile Order Sparks Israel Concern," *Jane's Intelligence Digest*, Mar. 9, 2007.

<sup>27</sup> According to one account, crates of anti-tank missiles, with shipping documents showing they were procured from Russia by Syria, were found near the Saluki River in southern Lebanon, where Hezbollah struck an Israeli armored column with missile fire during the summer 2006 war. See "Claim: Syria-Russia Missile Deal Close," *United Press International*, Feb. 22, 2007.

borders, it would severely disrupt the balance of power in the region. In April 2005, Russian President Vladimir Putin said that he understood Israeli security concerns and would not sell Syria long-range missiles. At this time, it is unclear whether Russia sold Syria the Iskander E system, which, with its maximum range of 175 miles, would appear able to reach significant parts of Israel.

In January 2007, under the legal authority set forth in the 2005 Iran and Syria Nonproliferation Act (P.L. 109-112), the Administration imposed sanctions against three Russian companies (Rosoboronexport, Tula Instrument-Making Design Bureau, and Kolomna Machine-Building Design Bureau) for WMD or advanced weapons sales to Syria.<sup>28</sup> The sanctions ban U.S. government business and support to the companies for two years and block U.S. firms from selling them items that require export licenses.

## 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 Hezbollah in Lebanon. Syria admits its support for Palestinians pursuing armed struggle in Israeli occupied territories and for Hezbollah raids against Israeli forces on the Lebanese border, but insists that these actions represent legitimate resistance activity as distinguished from terrorism.

**Attack on U.S. Embassy.** Syria and the United States still appear to face some common terrorist threats emanating from groups like Al Qaeda, and Syrian officials seem committed to protecting U.S. officials in Syria. On September 12, 2006, four armed terrorists tried to storm the U.S. embassy in Damascus. During the abortive attack, three of the perpetrators were killed; the fourth died of his wounds the following day. There was no immediate claim of responsibility. The Syrian Minister of the Interior described the perpetrators as "*takfiris*" or Islamic extremists, and the Syrian Ambassador to the United States voiced suspicions of an Al-Qaeda offshoot called *Jund al-Sham* ("*Soldiers of Greater Syria*"), noting that *Jund al-Sham* has been blamed for several attacks on Syria in recent years.<sup>29</sup> A U.S. State

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<sup>28</sup> The Bush Administration also imposed sanctions on a fourth Russian entity (Alexei Safonov), three Chinese companies (Zibo Chemical, China National Aerotechnology, and China National Electrical), and one North Korean entity (Korean Mining and Industrial Development) for weapons sales to Iran.

<sup>29</sup> The U.S. State Department in the 2005 edition of its annual publication *Country Reports on Terrorism* (released on Apr. 28, 2006) briefly mentions *Jund al-Sham* as a group (continued...)

Department spokesman described the perpetrators as “unknown assailants.” U.S. officials praised Syrian security forces for repelling the attack, and Secretary of State Rice commented that “[t]he Syrians reacted to this attack in a way that helped to secure our people, and we very much appreciate that.” White House press secretary Tony Snow stated that “Syrian officials came to [the] aid of the Americans ... The U.S. Government is grateful for the assistance the Syrians provided in going after the attackers ...”<sup>30</sup>

Snow cautioned, however, that Syrian cooperation in this instance “does not mean they are an ally,” while expressing the hope that Syria might become one in the future.<sup>31</sup> On its part, the Syrian embassy in Washington added that “[i]t is regrettable that U.S. policies in the Middle East have fueled extremism, terrorism and anti-U.S. sentiment.”<sup>32</sup>

## Arab-Israeli Peace Negotiations<sup>33</sup>

**The Israeli-Syrian Track.** The Israeli-Syrian track of the peace process focuses on the Golan Heights, 450 square miles of land along the border that Israel seized in 1967. Syria seeks to regain sovereignty over the Golan, which Israel effectively annexed in 1981 by applying its law and administration there. Other governments, including the United States, have not recognized Israel’s action.

During the peace process of the 1990s, Israel and Syria discussed the Golan Heights, and the late Syrian President Hafez al Asad told President Clinton on two occasions that he was committed to “normal peaceful relations” with Israel in return for its full withdrawal from the Golan. Asad never expressed his ideas publicly, leaving it to his interlocutors to convey them. In the talks, Israel conveyed its concerns about security and sought early warning sites and greater demilitarization on Syria’s side of the border. After the assassination of Israeli Prime Minister Yitzhak Rabin, Asad claimed that Rabin had promised total withdrawal to the June 4, 1967, border; but Israeli negotiators maintained that Rabin had only suggested possible full withdrawal if Syria met Israel’s security and normalization needs, which Syria did not do. An Israeli law passed in January 1999 requires that a majority in the Israeli Knesset (parliament) and a national referendum approve the return of any

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<sup>29</sup> (...continued)

associated with the Abu Musab al-Zarqawi, the late leader of the terrorist group Al Qaeda in Iraq.

<sup>30</sup> Dan Murphy and Rhonda Roumani, “Embassy Attack Puts Syria on Alert,” *The Christian Science Monitor*, Sept. 13, 2006. The authors comment that “[w]hile this was first and foremost an attack on the US, it is also a major embarrassment for the [secular] government in Damascus....”

<sup>31</sup> Sam F. Ghattas, “Gunmen Repelled at U.S. Embassy in Syria,” *Associated Press*, Sept. 12, 2006.

<sup>32</sup> Craig S. Smith, “Gunmen in Syria Hit U.S. Embassy; 3 Attackers Die,” *New York Times*, Sept. 13, 2006.

<sup>33</sup> For more information, see CRS Report RL33530, *Israeli-Arab Negotiations: Background, Conflicts, and U.S. Policy*, by Carol Migdalovitz.

part of the Golan Heights to Syria. The last Israeli-Syrian negotiations were held in January 2000. The main unresolved issue appears to have been Israel's reluctance to withdraw to the June 1967 border and cede access to the Sea of Galilee to Syria.

Since the breakdown in talks, both sides have periodically called to resume negotiations. Successive Israeli leaders have demanded that Syria first end support for Hamas and other Palestinian terrorist groups that reject the peace process as well as for Hezbollah and sever its ties with Iran. Syria has insisted that talks resume (without pre-conditions) where the most recent U.S.-sponsored discussions left off in 2000.

**Syrian Overtures?** A series of developments have led some officials and outside observers to call for a resumption of the Israeli-Syrian peace talks. The 2006 Israeli-Hezbollah war re-focused international attention on Syria's role in either instigating or mitigating conflict on Israel's northern border with Lebanon. In the weeks following the August 2006 cease-fire, some Israeli commentators and military officials have called on Israel to resume negotiations over the Golan Heights in order to gain Syrian cooperation in stabilizing southern Lebanon and containing Hezbollah. In December 2006, the Iraq Study Group (ISG) Report recommended that the United States engage Syria in a regional dialogue on the situation in Iraq in order to avert further sectarian strife and regional war. The ISG also called for a resumption in the Arab-Israeli peace process and recommended that such a process involve all parties, including Syria. In January 2007, the Israeli daily *Haaretz* published a report claiming that private Israeli and Syrian citizens drafted a secret document that calls for returning the Golan Heights to Syria and offers a possible outline for peace negotiations.

Syrian leaders have attempted to capitalize on this changing atmosphere by suggesting that their government is ready to resume negotiations. In November 2006, Syria's Foreign Minister Walid Moualem stated that "we hope to have in 2007 a peace process to settle the issue.... We appreciate the Israeli voices who call for the resumption of the peace process with Syria." Some analysts have questioned the sincerity of such statements, and an Israeli military intelligence assessment has predicted that Syria and Hezbollah might start a war of attrition against Israel within the next two years. Israel believes that Syria may be bluffing and is trying to improve its public image. Israeli Foreign Minister Tzipi Livni has stated that although Israel should carefully and quietly examine all Syrian proposals, "Syria's happy smile campaign toward Israel and the West is meant to lift threats, which they believe to exist on the Syrian regime and state, posed by Israel and certain countries in the West."<sup>34</sup> In an interview with the Italian daily *La Repubblica*, President Asad dared the Israeli prime minister to "call Syria's bluff," stating that there are no obstacles to "achieving peace to restore Syria's lands."<sup>35</sup> Syria has sent mixed signals on the issue of negotiations. In one interview, President Asad stated:

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<sup>34</sup> "Livni Urges Israeli Gov't To 'Carefully Examine' Syrian Proposal To Renew Talks," *Ha'aretz*, Dec. 20, 2006.

<sup>35</sup> "Prime Minister Olmert Rebuffs Syrian Overtures Amid Israeli Debate," Open Source Center, Document ID# FEA20061220054546, Dec. 19, 2006.

We believe that since Israel abandoned the peace process, specifically when Sharon's government came to power, there will be no peace in the foreseeable future. The arrival of Sharon's government was a sign that Israel, all Israel, abandoned the peace process. The new US Administration came to strengthen this Syrian belief; namely, that there will be no peace in the foreseeable future. It is natural for one to expect war if there is no peace. What does a state of no-war-no-peace mean? It means either war or peace. So we began to prepare within our capabilities.... But as for us in Syria, we always say that the peace process is the natural solution that entails no high costs for the entire region, not only for Syria.<sup>36</sup>

The Bush Administration has repeatedly stated that there is no point in resuming Israeli-Syrian negotiations over the Golan Heights so long as Syria sponsors terrorism, a position that Israel has taken over the last five years. According to U.S. National Security Advisor Steven Hadley, "This is not a Syria that is on an agenda to bring peace and stability to the region, and I think Prime Minister [Ehud] Olmert said, under those circumstances, with that kind of Syrian policy, how can you talk about negotiating on the Golan Heights? Seems to me that's a sensible position."<sup>37</sup> During a recent visit to Israel, Secretary Rice allegedly argued that peace talks with Syria would reward Asad for backing Hezbollah and maintaining ties with Iran.<sup>38</sup>

## **U.S. Policy Toward Syria**

Presently, there is a vigorous debate in U.S. foreign policy circles over the future of U.S.-Syrian relations. Although speculation over possible U.S. military action to topple the Asad regime has abated, many officials continue to advocate a hard-line approach to Syria, asserting that pressure through a combination of diplomatic isolation and targeted sanctions can achieve the desired results of ending Syria's support for terrorism, its domination of Lebanon, its interference in Iraq, and its obstinacy toward the Arab-Israeli peace process. Others contend that quiet diplomacy aimed at encouraging Syria to play a constructive role in regional affairs could yield benefits. Proponents of this approach do not advocate the immediate termination of sanctions without further action on Syria's part; however, they support wider contacts between U.S. and Syrian diplomatic and security officials to discuss sensitive issues, seek common ground, and identify possible areas of cooperation.

### **Syria's Diplomatic Isolation?**

Diplomatic isolation of Syria has somewhat eroded in recent months. In December 2006, the Iraq Study Group (ISG) Report recommended that the United States engage Syria in a regional dialogue on the situation in Iraq in order to avert further sectarian strife and regional war. The ISG also called for a resumption in the

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<sup>36</sup> "Syria's Al-Asad Says War With Israel Possible," *Al-Anba* (Kuwait), Oct. 7, 2006. Open Source Center Document # FEA20061009028540.

<sup>37</sup> "Chirac: France, U.S. Agree There Is No Point Talking to Syria," *Ha'aretz*, Nov. 29, 2006.

<sup>38</sup> "Syria: Businessman's Backdoor Peacemaking," *Newsweek*, Apr. 16, 2007.

Arab-Israeli peace process and recommended that such a process involve all parties, including Syria. Speaker of the House Nancy Pelosi, several other House members, and Senators Bill Nelson, John Kerry, Christopher Dodd and Arlen Specter all have recently visited Syria and met with President Bashar al-Asad. In what was the first high-level visit by an EU official to Syria in more than two years, EU foreign policy chief Javier Solana met with Syria foreign officials in an attempt to dissuade Syria from intervening in Lebanese affairs. According to Solana, “In order to resume the relationship, we have to have a frank and sincere discussion about things that can change ... and we have to see how the behavior of our friends in Syria may change.” Many analysts believe that President Asad’s strategy is to endure the foreign pressure against his regime while actively seeking to undermine Western attempts to pull Lebanon away from Syria’s orbit.

## **U.S. Sanctions**

Because of a number of legal restrictions and U.S. sanctions, many resulting from Syria’s designation as a country supportive of international terrorism, Syria is no longer eligible to receive U.S. foreign assistance. Between 1950 and 1981, the United States provided a total of \$627.4 million in aid to Syria: \$34.0 million in development assistance, \$438.0 million in economic support, and \$155.4 million in food 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 International Emergency Economic Powers Act of 1977* [Title II of P.L. 95-223 (codified at 50 U.S.C. § 1701 et seq.)]. Under the International Emergency Economic Powers Act (IEEPA), the President has broad powers pursuant to a declaration of a national emergency with respect to a threat “which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States.” These powers include the ability to seize foreign assets under U.S. jurisdiction, to prohibit any transactions in foreign exchange, to prohibit payments between financial institutions involving foreign currency, and to prohibit the import or export of foreign currency.

In January 2007, the U.S. Treasury Department designated three Syrian entities, the Syrian Higher Institute of Applied Science and Technology, the Electronics Institute, and the National Standards and Calibration Laboratory, as weapons proliferators under an executive order based on the authority vested to the President

under IEEPA. The three state-sponsored institutions are divisions of Syria's Scientific Studies and Research Center, which was designated by President Bush as a weapons proliferator in June 2005 for research on the development of biological and chemical weapons.

*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, 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 removing 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.

The Iran Nonproliferation Act of 2000, P.L. 106-178, was amended by P.L. 109-112 to make its provisions applicable to Syria as well as Iran. The amended act, known as the Iran and Syria Nonproliferation Act, requires the President to submit semi-annual reports to designated congressional committees, identifying any persons involved in arms transfers *to or from* Iran or Syria; also, the act authorizes the President to impose various sanctions against such individuals.

## 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. The Senate version of H.R. 5522, the Foreign Operations Appropriations Act, FY2007, repeats the previous bans on aid to Syria (Section 507) and contains \$1.5 million for democracy programs.

A December 2006 article in *Time Magazine* disclosed Administration proposals to use U.S. democracy promotion funds to support Syrian exiles and activists.<sup>39</sup> Some of these proposals include funding election monitoring activities, specific opposition groups, and public opinion polling. According to the article, U.S. funds may reportedly be channeled through the Middle East Partnership Initiative (MEIP) office at the State Department.

### 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;

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<sup>39</sup> "Syria in Bush's Cross Hairs," *Time*, Dec. 19, 2006.

- 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.<sup>40</sup> 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 the United States, and the President has invoked waivers to permit them to do so under exceptional circumstances. Fourth, waivers cover several categories of equipment, such as telecommunications equipment and 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 that Syria imports from the United States.<sup>41</sup>

**Further Steps.** Some U.S. officials favor further tightening sanctions against Syria in view of reports that it is facilitating or permitting Iraqi insurgents to operate in Syria. On December 23, 2004, then 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 indicated that the Administration is considering further limits on financial transactions with Syrian banks.<sup>42</sup> 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 May 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 continued to pose an unusual and extraordinary threat. In a notice dated April 25, 2006, the President issued E.O. 13399 to extend the state of emergency for an additional year. Also, in a notice dated 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

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<sup>40</sup> Christopher Marquis, "Bush Imposes Sanctions on Syria, Citing Ties to Terrorism," *New York Times*, May 12, 2004.

<sup>41</sup> Glenn Kessler, "President Imposes Sanctions On Syria," *Washington Post*, May 12, 2004.

<sup>42</sup> Douglas Jehl, "U.S. Said to Weigh Sanctions on Syria Over Iraqi Network," *New York Times*, Jan. 5, 2005.

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. Subsequently, on August 15, the U.S. Treasury Department froze assets of two other senior Syrian officers: Major General Hisham Ikhtiyar, for contributing to Syria's support of foreign terrorist organizations including Hezbollah; and Brigadier General Jama'a Jama'a, for playing a central part in Syria's intelligence operations in Lebanon during the Syrian occupation. crsphpgw