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Syria: U.S. Relations and Bilateral Issues

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Summary

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, 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. The aid ban appears again in the House version of the Foreign Operations Appropriation Act, FY2007 (H.R. 5522).

Since the outbreak of fighting between Israeli military forces and the militant Lebanese Shi'ite Hezbollah organization on July 12, 2006, 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 Hezballah units, thereby enabling Hezbollah units to engage in military action against Israeli targets. On July 22, President Bush commented that "[f]or many years, Syria has been a primary sponsor of Hezbollah and it has helped provide Hezbollah with shipments of Iranian-made weapons." This report supersedes Issue Brief IB92075, *Syria: U.S. Relations and Bilateral Issues*, and will be updated as significant developments occur.

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Syria: U.S. Relations and Bilateral Issues

Most Recent Developments

Since the outbreak of fighting between Israeli military forces and the militant Lebanese Shi'ite Hezbollah organization on July 12, 2006, U.S. officials have increased their criticism of Syria's political and logistical support for Hezbollah. On July 22, President Bush commented that "[f]or many years, Syria has been a primary sponsor of Hezbollah and it has helped provide Hezbollah with shipments of Iranian-made weapons." Secretary of State Condoleezza Rice, speaking to reporters on July 26, rejected comments that the United States and Syria lack diplomatic channels for communication, pointing out that there are existing diplomatic channels that can be used when Syrian leaders are ready to talk. A Syrian official, however, said "Syria is not going to help while it is being isolated and President Bush is attacking Syria all the time." She was quoted by Reuters News Wire on July 26 as saying that Syria should not be allowed to return to Lebanon and influence events there, and neither should Iran. Also, on July 26, Secretary Rice warned Syria and Iran not to "torpedo" any attempts to stop the fighting between Hezbollah and Israeli forces and expressed the hope that the two countries would "behave responsibly." Meanwhile, news reports indicated that Hezbollah leader Sheikh Hassan Nasrallah met with Syrian President Bashar al-Asad on July 27, possibly to discuss resupply of Hezbollah.

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. At present, a number of issues continue to divide the two countries.

Syrian-U.S. Bilateral Issues

Syria and Its Role in Lebanon

Syria has emerged as a key, if indirect, actor in the current crisis, primarily though 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 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.[1] 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.

Many commentators believe Syria's re-supply activity on behalf of Hezbollah was an important factor in encouraging Hezbollah leaders to initiate large-scale border and rocket attacks against Israel on July 12. In doing so, Syria achieves two goals. First, Syria's actions help forestall any move by the small Lebanese army to replace Hezbollah units near the Israeli-Lebanese border, thus helping ensure that Lebanon will be unable to make an independent peace with Israel without Syrian participation. Second, Syria's policy strengthens the view in some Lebanese circles that the departure of Syrian troops has led to stalemate and ultimately to nation-wide devastation. At the same time, the current situation complicates any effort by the United States to effect a "regime behavior change" in Syria along the lines of Libya and increases the possibility that the United States, after shunning Syria for several years, may have to deal with Damascus at some point in an effort to contain escalating violence. 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 has 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.[2]

Syrian support for Hezbollah is facilitated by long-standing ties between Syria and Iran, which helped create Hezbollah in the 1980s. This association has long troubled U.S. policy makers, who see the two countries as reinforcing each other in supporting terrorism and interfering in Lebanon. According to news stories, Hezbollah leader Sheikh Hassan Nasrallah visited Syrian President Bashar al-Asad on July 27, reportedly to discuss resupply of Hezbollah units. The reports did quote

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[1] 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.

[2] Kim Murphy, "Crisis May Put Syria Back In Political Mix," *Los Angeles Times*, July 18, 2006.

Nasrallah as saying that Hezbollah would not accept any "humiliating" conditions for a cease-fire in Lebanon. Also, according to the reports, a senior Iranian security official was in Damascus, but it was not clear whether he met with Nasrallah and Asad.

U.S. Policy Toward Syria. The United States and Syria have long had an uneasy relationship, and the current 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 increasingly 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 into the Middle East region, U.S. officials have spoken out against authoritarian regimes like Syria and promoted reform in the "broader Middle East."

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 most recent restrictions appear in the Syria Accountability Act of 2003, which 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.

After the February 2005 assassination of former Lebanese Prime Minister Rafik Hariri, widely blamed on Syrian agents, U.S. officials reiterated their demands for a full Syrian withdrawal of its military forces from Lebanon and recalled U.S. Ambassador Margaret Scobey to Washington for consultations; she has not returned and has reportedly been reassigned to Baghdad. Although Syrian forces did withdraw in April 2005, some observers think Syrian officials have tried 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.[3] In this connection, U.N. teams have said that no visible or significant Syrian intelligence presence remained in Lebanon but have qualified their statement by noting that "distinctly close historical and other ties" between Syria and Lebanon must be considered "when assessing a possibly ongoing influence of Syrian intelligence in Lebanon."[4]

Some believe that Syria's prompt compliance with demands for its withdrawal may have concealed a long-term plan to reestablish its influence and possibly its presence in Lebanon if and when an opportunity arises. Commentators suggest that Syria appears to be a central player in the present scenario and that U.S. efforts to resolve the crisis may necessitate dealing with Syria at some stage. At present, they point out, U.S. dealings with Syria are complicated by U.S. efforts to keep Syria isolated and by lack of diplomatic contacts. (As noted above, the U.S. Ambassador

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[3] Robin Wright,"Syria Moves to Keep Control of Lebanon," *Washington Post*, March 31, 2005.

[4] U.N. Security Council document S/2005/673, Paragraph 20.

to Syria has not returned to Damascus, and the U.S. Embassy in Damascus is headed by a lower level diplomat, although the Syrian Ambassador remains in Washington.) According to one observer, "After years spent edging Syrian troops out of Lebanon in a bid to win independence for the beleaguered nation, Western leaders face the prospect of pressing Damascus to reassert its influence with Islamic militants there to halt rocket attacks on Israel and free Israeli prisoners."[5]

Since the outbreak of fighting between Israeli military forces and the militant Lebanese Shi'ite Hezbollah organization on July 12, 2006, U.S. officials have increased their criticism of Syria's political and logistical support for Hezbollah. On July 22, President Bush commented that "[f]or many years, Syria has been a primary sponsor of Hezbollah and it has helped provide Hezbollah with shipments of Iranian-made weapons."[6] Secretary of State Condoleezza Rice, speaking to reporters on July 26, rejected comments that the United States and Syria lack diplomatic channels for communication, pointing out that there are existing diplomatic channels that can be used when Syrian leaders are ready to talk. On his side, Syrian Ambassador to the United States Imad Moustapha told Associated Press in comments reported on July 27 that there has been "not a single contact" by the U.S. government with Syria since the fighting began. Another Syrian official commented that "Syria is not going to help while it is being isolated and President Bush is attacking Syria all the time." In another vein, Syrian officials have pointed out that Syria has accommodated the United States by issuing large numbers of visas to Americans fleeing from Lebanon via Syria for evacuation to the United States and has opened its doors to other groups of refugees from Lebanon as well.

More broadly, Secretary Rice has signaled that the United States will not accept a resumption of Syria's former influential role in Lebanon. She was quoted by Reuters News Wire on July 26 as saying that Syria should not be allowed to return to Lebanon and influence events there, and neither should Iran. She warned Syria and Iran not to "torpedo" any attempts to stop the fighting between Hezbollah and Israeli forces and expressed the hope that the two countries would "behave responsibly."

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

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[5] Kim Murphy, "Crisis May Put Syria Back In Political Mix," *Los Angeles Times*, July 18, 2006.

[6] "Rice Rejects Cease-Fire As Mideast Quick Fix," Dow Jones News Wire, July 22, 2006.

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.[7] 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.[8]

Infiltrators. U.S. officials continue to charge that Syria is allowing pro-Saddam volunteers from various Arab countries including Syria itself to cross its 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.[9] 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

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

[8] Eric Schmitt and Thom Shanker, "Estimates by U.S. See More Rebels With More Funds," *New York Times*, Oct. 22, 2004.

[9] James Janega, "Too Much Border, Not Enough Patrol," *Chicago Tribune*, Apr. 19, 2005.

"[w]hether they're supporting it is another question."[10] Still, some U.S. commanders have noted steps by Syrians to tighten their border with Iraq and curtail cross-border infiltration.[11] 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.[12] 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 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:[13]

- 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

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[10] "Few Foreigners Among Insurgents," *Washington Post*, Nov. 16, 2004.

[11] Carla Anne Robbins and Greg Jaffe, "U.S. Sees Efforts By Syria To Control Border With Iraq," *The Wall Street Journal*, Dec. 10, 2004.

[12] John F. Burns, "Syria Turns Over a Top Insurgent, Iraqis Say," *New York Times*, Feb. 28, 2005.

[13] 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.

- 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.[14] On December 16, 2004, President Bush warned Syria and Iran that "meddling in the internal affairs of Iraq is not in their interests." His warning followed an accusation by then Iraqi Defense Minister Hazem Shaalan that Syria is aiding Zarqawi and agents of former Iraqi President Saddam Hussein. The Syrian Foreign Ministry dismissed Shaalan's remarks as "baseless accusations" but did not refer to President Bush's remarks. Following reports of a secret meeting in Syria held by Zarqawi and key aides during April 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

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[14] Nicholas Blanford, "More Signs of Syria Turn up in Iraq," *Christian Science Monitor*, Dec. 23, 2004.

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.[15] Some speculate that Putin was motivated by prospects of new arms purchases from Syria, while others suggest that political and strategic benefts that may accrue to Russia are more important than economic benefits.[16]

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.

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 Hezbollah, 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 counterweight to other internal dissident groups.[17] 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.[18] 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

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[15] 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.

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

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

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

Syrian Government ended intelligence cooperation with the United States, citing U.S. complaints that Syrian cooperation against border crossings into Iraq was inadequate.

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 Report RL33530, *Israeli-Arab Negotiations: Background, Conflicts, and U.S. Policy*, by Carol Migdalovitz.

U.S. Aid and Sanctions

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

General Sanctions Applicable to Syria

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

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

A by-product of these two laws was the so-called state sponsors of terrorism list. This list is prepared annually by the State Department in accordance with Section 6(j)

of the Export Administration Act. The list identifies those countries that repeatedly have provided support for acts of international terrorism. Syria has appeared on this list ever since it was first prepared in 1979; it appears most recently in the State Department's annual publication *Country Reports on Terrorism, 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.[19] 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.[20]

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.[21] 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

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

[20] Glenn Kessler, "President Imposes Sanctions On Syria," *Washington Post*, May 12, 2004.

[21] Douglas Jehl, "U.S. Said to Weigh Sanctions on Syria Over Iraqi Network," *New York Times*, Jan. 5, 2005.

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 continue to pose an unusual and extraordinary threat. Subsequently, in a notice dated May 8, the President extended 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 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.