

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue with a lighter blue globe. The neck is a narrow, light blue channel. The bottom bulb is light blue with a darker blue globe. The entire graphic is set against a white background.

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Syria: Background and U.S. Relations

Jeremy M. Sharp, Foreign Affairs, Defense, and Trade Division

May 1, 2008

Abstract. This report analyzes an array of bilateral issues that continue to affect relations between the United States and Syria.

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CRS Report for Congress

Syria: Background and U.S. Relations

Updated May 1, 2008

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Prepared for Members and
Committees of Congress

Syria: Background and U.S. Relations

Summary

Despite its weak military and lackluster economy, Syria remains relevant in Middle Eastern geopolitics. The Assad regime has its hands in each of the four major active or potential zones of conflict in the region (Lebanon, Israel-Palestine, Iraq, and Iran). In the Levant, Syrian leaders aim to dominate the internal politics of Lebanon, and have been accused of involvement in the assassination of four parliamentarians and former Prime Minister Rafik Hariri. The Assad regime has resisted U.S. and French attempts to bolster the pro-Western government of Prime Minister Fouad Siniora, believing that it can weather the storm of U.S. pressure over time. Syria also plays a key role in the Middle East peace process, acting at times as a “spoiler” by sponsoring Palestinian militants and facilitating the rearmament of Hezbollah. At other times, it has participated in substantive negotiations with Israel, most recently in 1999-2000. A September 6 Israeli air strike against an alleged nascent Syrian nuclear facility heightened an already tense atmosphere between the two countries, though most experts believe that neither side desires a new war. Regarding Iraq, the Iraqi refugee crisis has affected Syria far more than Syria has influenced internal Iraqi politics since the fall of Saddam Hussein. There now may be close to 1.4 million Iraqis inside Syria, many of whom face the dim prospect of remaining in permanent exile. Finally, Syria’s longstanding relationship with the Iranian clerical regime is of great concern to U.S. strategists. As Syria has grown more estranged from the United States, Syrian-Iranian relations have improved, and some analysts have called on U.S. policymakers to woo Syrian leaders away from Iran. Others believe that the Administration should go even further in pressuring the Syrian government and should consider implementing even harsher economic sanctions against it.

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. 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. In recent years, the Administration has designated several Syrian entities as weapons proliferators and sanctioned several Russian companies for alleged WMD or advanced weapons sales to Syria. Annual foreign operations appropriations legislation also has contained provisions designating several million dollars annually for programs to support democracy in Syria.

This report analyzes an array of bilateral issues that continue to affect relations between the United States and Syria. It will be updated periodically to reflect recent developments.

Contents

Latest Developments	1
Alleged Syria-North Korean Nuclear Cooperation	1
Mughniyeh Assasination	3
Internal Political Scene	3
Pillars of the Regime	4
The Alawite Sect	4
The Ba'th Party	4
The Military and Security Establishment	5
The Syrian Opposition	6
The Syrian Muslim Brotherhood	6
The Damascus Declaration	6
Syrian Dissidents, Exiles, and Defectors Abroad	7
Syria's Stagnant Economy	7
A Future Without Oil?	8
Syrian-U.S. Bilateral Issues	9
Syria and Its Role in Lebanon	9
Syria and Hezbollah	9
Syrian Attempts to Bring Down the Lebanese Government	10
The Hariri Investigation and Alleged Syrian Involvement	11
The International Tribunal	12
Political Assassinations	13
Relations with Iran	14
Syrian Support for Terrorist Activity	14
Arms Proliferation	15
Chemical and Biological	15
Nuclear	16
Missiles	17
North Korean-Syrian Missile Cooperation	17
Relations with Russia	18
Russian Arms Sales to Syria	18
Syria and the Middle East Peace Process	19
1994-2000	19
Recent Developments	21
Iraqi Refugees in Syria	22
U.S. Policy Toward Syria	24
U.S. Sanctions	25
General Sanctions Applicable to Syria	26
Specific Sanctions Against Syria	27
The 2003 Syria Accountability Act	28
Implementation	28
Waivers	29
Implications	29
Targeted Financial Sanctions	30
Recent Congressional Action	32

Syria: Background and U.S. Relations

Latest Developments

Alleged Syria-North Korean Nuclear Cooperation. On April 24, 2008, CIA Director Michael V. Hayden, Director of National Intelligence Michael McConnell, and National Security Adviser Stephen J. Hadley privately briefed Members of Congress on North Korea's alleged role in constructing a reactor in northeastern Syria that was destroyed in an Israeli air strike on September 6, 2007. This marked the first time that the United States had officially provided details on both the Israeli operation and the nature of the targeted facility. Following the closed-door briefings, U.S. intelligence officials provided a background news briefing to the media which has since reported extensively on the subject.

According to the *Washington Post*, Syria and North Korea were suspected of collaborating on a secret nuclear program since 1997.¹ Since then, senior North Korean officials² and scientists from North Korea's Yongbyon nuclear complex reportedly visited Syria several times before construction began in Syria at a remote desert facility, known as Al Kibar, between 2001 and 2003.³ In the spring of 2007, Israel reportedly provided the Administration with photographs of the interior of the alleged facility still under construction.⁴ According to the *Washington Post*, the "pictures depicted a site similar to the one at Yongbyon, which produces plutonium for nuclear weapons." According to the *New York Times*, the photographs "clearly show the rods that control the heat in a nuclear reactor;" as both the Yongbyon and Al Kibar reactors had a virtually identical configuration and number of holes for fuel rods.⁵

In reaction to the briefings, the Syrian government denounced the U.S. evidence and accused the United States of helping Israel to carry out the September 2007 raid.

¹ "U.S. Details Reactor in Syria," *Washington Post*, April 25, 2008.

² One photograph presented to Congress showed a North Korean official with the director of Syria's nuclear agency. The North Korean official was identified as Chon Chibu, who, according to the presentation, is the manager of North Korea's Yongbyon nuclear plant. Other observers have disputed that Chibu was in the photograph.

³ In October 2007, the Institute for Science and International Security (ISIS) and several media outlets published several reports containing satellite imagery of the Syrian facility. According to one account, American analysts had looked carefully at the site in 2003, but were unsure then whether it posed a nuclear threat. See, "Yet Another Photo of Site in Syria, Yet More Questions," *New York Times*, October 27, 2007.

⁴ CIA graphic presentation and photographs of Al Kibar are available online at [http://news.bbc.co.uk/2/hi/middle_east/7364269.stm]

⁵ "Government Releases Images of Syrian Reactor," *New York Times*, April 25, 2008.

Although the Administration has acknowledged discussing policy options with Israeli leaders prior the September 2007 attack, senior U.S. officials have denied any covert U.S. role in the bombing, stating that Israel proceeded “without a green light from us.... None was asked for, none was given.”⁶

Since the U.S. intelligence briefing on April 24, many observers have accepted the Administration’s evidence of Syrian-North Korean nuclear collaboration, though some skeptics have argued that Syria lacked the technical capacity to build a nuclear weapon and posed no imminent danger to Israel that would have justified the September 2007 attack. According to David Albright, a nuclear expert at the Institute for Science and International Security, the information “provides dramatic confirmation that the Syrian site ... was a nuclear reactor,” but the “U.S. does not have any indication of how Syria would fuel this reactor, and no information that North Korea had already, or intended, to provide the reactor’s fuel.” In order to create weapons-grade plutonium, Syria would have needed to acquire uranium fuel and then have it reprocessed, either at a facility inside Syria or elsewhere. After their briefings to Congress, senior U.S. intelligence officials acknowledged that “there was no sign that Syria had built an operation to convert the spent fuel from the plant into weapons-grade plutonium, but that they had told President Bush last year that they could think of no other explanation for the reactor.”⁷

In order to stress the imminent danger posed by Syria’s actions, senior U.S. intelligence officials have repeatedly stressed that Al Kibar was nearly operational at the time of the Israeli strike. U.S. officials were quoted saying that, before the Israeli bombing, Al Kibar was within weeks or months of becoming operational.⁸ Others have noted that the reactor there would have ultimately produced enough plutonium for one or two bombs within a year of becoming operational.⁹ Several days after the intelligence briefings, Japanese public broadcaster NHK, citing South Korean intelligence officials, reported that 10 North Koreans working at Al Kibar had died in the September 2007 air raid and that the dead included officials of the North Korea's communist party unit that exports weapons and military technology and members of the North Korean military unit which made nuclear facilities in the country.¹⁰

Although the new information on Al Kibar may, in the short term, dramatically affect U.S. efforts to broker a nuclear disarmament deal with North Korea, analysts also have raised a number of questions on how these new developments will impact the Middle East. Although the possibility of a Syrian-Israeli military confrontation over the September attack remains slim, the Israeli defense establishment has been

⁶ “US Never Gave Israel Green Light for Syria Strike: US Official,” *Agence France Presse*, April 24, 2008.

⁷ *New York Times*, April 25, 2008, op.cit.

⁸ “US Shows Evidence of Alleged Syria-N. Korea Nuke Collaboration,” *Associated Press*, April 24, 2008.

⁹ “Hayden: Syrian Site Could Have Produced Fuel for 2 Weapons,” *Associated Press*, April 28, 2008.

¹⁰ “N.Koreans May Have Died in Israel Raid in Syria: NHK,” *Reuters*, April 28, 2008.

concerned that public confirmation of Syrian-North Korean nuclear cooperation would embarrass Syria and possibly force President Bashar al Asad to retaliate against Israel in order to save face.¹¹ While there has been no military response from Syria, President Asad stated, “Retaliate doesn’t mean missile for missile and bomb for bomb.... We have our means to retaliate, maybe politically, maybe in other ways. But we have the right to retaliate in different means.” The Israeli-Syrian-Lebanese border had been tense after the 2006 summer war, and there were scattered reports indicating that the Israeli military had heightened its state of alert and that the Syrians had increased their defensive fortifications near the border. Nevertheless, a major confrontation appears unlikely. In the past, Syria has used proxies, such as Hezbollah and Palestinian Islamic Jihad, to carry out reprisal terrorist operations against Israel rather than use its own military or intelligence forces.

For many experts, the Israeli attack has implications that go far beyond Syrian-Israeli relations. Although the veil of secrecy surrounding the attack may reflect U.S. efforts not to derail ongoing Middle East peace negotiations, the attack has been largely seen through the prism of restoring Israeli deterrence at a time when some analysts expect Israel to take action against Iran’s uranium enrichment facilities. Though a strike against Iran would be far more difficult than the September 6 bombing or even Israel’s strike against the Osirak nuclear facility in Iraq in 1981, Israel’s bombing may be intended to send a signal to its opponents in the region that it has the will to act, if necessary unilaterally, to stop Iran and others from developing an advanced nuclear weapons program.

Mughniyeh Assassination. On February 13, 2008, Imad Mughniyeh, Hezbollah’s long-time special operations or intelligence chief, was killed in a car bombing in an upscale residential neighborhood in Damascus, Syria. Mughniyeh was responsible for high profile terrorist attacks against Americans, Israelis, and other foreign nationals. U.S. officials assert that he was behind the bombings of the United States Embassy and Marine barracks in Beirut, Lebanon in 1983. Mughniyeh also was reported to be behind the kidnapping of western hostages in Beirut during the 1980s. No one has claimed responsibility for his killing, though Syria and Iran have launched a “joint” investigation and may publicly announce their findings in the weeks to come. Many analysts have speculated that Israel may be behind the operation, though some experts believe that Syria itself could have had a hand in Mughniyeh’s murder. Days after the bombing, Hezbollah held a funeral for Mughniyeh and threatened to retaliate against Israel.

Internal Political Scene

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. 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

¹¹ “Public Status of US Congress Hearing on IAF Syria Bombing Still Undecided,” *Jerusalem Post*, April 15, 2008.

Syria's advantage. President Bashar al Asad, who succeeded his father in 2000 in a smooth transfer of power, inherited a ready-made politico-military apparatus his father helped build. Although Bashar is generally considered to be less ruthless and calculating than his father, he has essentially sought to preserve the status quo and, above all else, maintain regime stability.

Key Members of the Asad Family

Bashar al Asad - The 41-year old President of Syria is 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.

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. 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, replacing his late father.

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. According to one Syria expert, “Within the military, Bashar has replicated the patron-client relationship wielded so effectively by his father. Despite repeated rumors about tension within the Assad family, there is no evidence that any rival — most notably Asaf Shawkat, Bashar’s brother-in-law and the head of the *Shu’bat al-Mukhabarat al-‘Askariyya* (military security department), or Bashar’s younger brother Mahir, an officer in a Republican Guards division — has sufficient power to challenge his rule.”¹²

Figure 1. Map of Syria



Source: Map Resources. Adapted by CRS.

¹² Eyal Zisser, “Where Is Bashar al-Assad Heading?” *Middle East Quarterly*, Winter 2008.

The Syrian Opposition

The Syrian Muslim Brotherhood. Over the last half-century, political Islamist groups have risen to challenge entrenched Middle Eastern monarchical and authoritarian regimes, a process which culminated in the 1979 overthrow of the Shah of Iran. Since then, 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,¹³ 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.¹⁴ 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.

The Damascus Declaration. In 2005, a group of civil society activists, reformers, communists, Kurdish rights advocates, Islamists, and intellectuals signed the Damascus Declaration, a document calling for the Syrian government to end the decades-old state of emergency and allow greater freedom of speech. Soon thereafter, many of these same signatories crafted the National Council of the Damascus Declaration, a quasi-political party that has since met periodically to push for political reform inside Syria. However, many observers suggest that the Damascus Declaration lacks a popular base of support amongst the Syrian people and remains an elite-dominated organization.¹⁵ After several members of the National Council were arrested in December 2007, President Bush stated that "The brave men and

¹³ 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; December 2001.

¹⁴ See International Crisis Group (ICG), "Syria Under Bashar (II): Domestic Policy Challenges," *ICG Middle East Report #24*, February 2004.

¹⁵ Joe Macaron, "Syria: The Opposition and its Troubled Relationship with Washington," *Arab Reform Bulletin*, February 2008, Volume 6, Issue 1, published by the Carnegie Endowment for International Peace.

women who formed this Council reflect the desires of the majority of Syrian people to live in freedom, democracy, and peace, both at home and alongside their neighbors in the region. The Syrian regime continues to hold hundreds of prisoners of conscience and has arrested more than thirty National Council members in the past few days. All those detained should be released immediately.”¹⁶

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. Syrian authorities have prevented many dissidents from leaving Syria. Reportedly, the NSF has held regular meetings with U.S. officials from the State Department and National Security Council in order to discuss new ways of promoting democracy in Syria.¹⁷

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 1.4 million civil servants out of a

Snapshot of the Syrian Economy

Total Population:	19.3 million
GDP Per Capita:	\$1,380
GDP Growth:	3.5-4.2%
Population Growth:	2.5%
Inflation:	6.6-7.0%

Source: World Bank

workforce of 5.3 million.¹⁸ Corruption is endemic. The national budget devotes an estimated 40%-50% of government revenue to military and intelligence spending, leaving little for infrastructure investment and education. 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 and drain the national budget.¹⁹ Rising fuel import costs are expected to push the budget deficit to close to a record 10 percent of gross domestic product in 2008. According to Abdulla Dardari, Deputy Prime Minister for Economic Affairs, “The

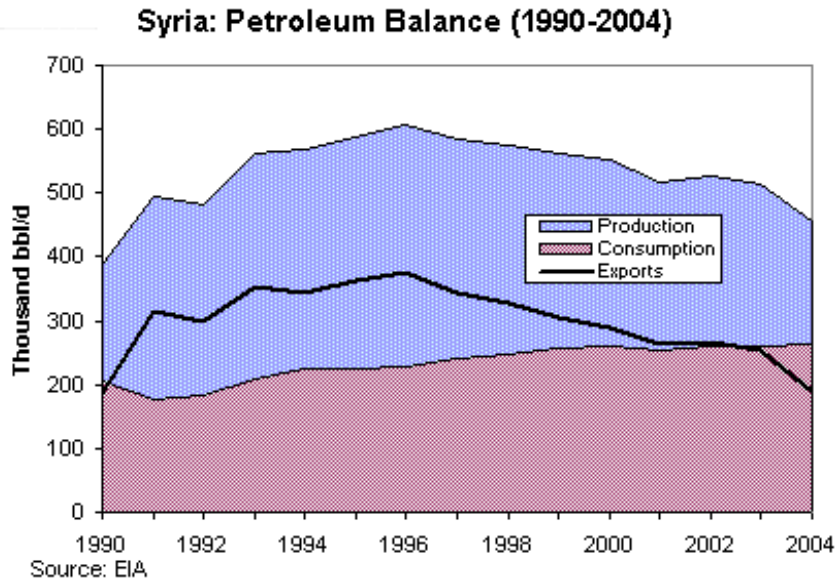
¹⁶ Statement by the President, The White House, Office of the Press Secretary, December 14, 2007.

¹⁷ “Unlikely Allies: To Check Syria, U.S. Explores Bond With Muslim Brothers,” *Wall Street Journal*, July 25, 2007.

¹⁸ “A Defining Moment,” *Middle East Economic Digest*, November 16, 2007.

¹⁹ Fuel oil is now routinely smuggled into Lebanon from Syria.

system of energy subsidies is no longer viable. In 2008, \$7 billion will be spent on subsidies. That is not a number any developing country can sustain.” 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. The influx of nearly 1.5 million Iraqi refugees into Syria also has severely strained the mostly state-run economy.



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. In 2007, Syria became a net importer of oil, and production fell to an average of 380,000 barrels per day (bpd), down from 400,000 bpd in 2006.²⁰ Syria continues to deplete its modest reserves (2.5 billion barrels), as technological problems and a lack of investment have led to a decline in production.

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 2003.²¹ In September 2007, Iraqi Oil Minister Hussein Shahrستاني remarked that the pipeline

²⁰ Syria reached peak production in 1995 with output of around 596,000 bpd.

²¹ 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.

could be reopened, but “there is damage.... Terrorists have been attacking it.... Significant portions have to be replaced.... We have agreed with the Syrians to inspect it.... But that will take some time.”²² 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 export.²³ 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.

Syrian-U.S. Bilateral Issues

Syria and Its Role in Lebanon

A cornerstone of Syrian foreign policy is domination of the internal affairs of Lebanon. Many hard-line Syrian nationalists consider Lebanon to be an appendage of the Syrian state and, to this day, there is no official Syrian diplomatic representation in Beirut. From a geostrategic 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 and Hezbollah. Observers have noted that Hezbollah provides Syria with strategic depth in Lebanon and serves as a valuable ally against Israel. Given Syria’s conventional military weakness vis-à-vis Israel, Syria has used Hezbollah as a proxy against its neighbor, though some analysts 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. According to one recent analysis of the Hezbollah-Syrian relationship, “Hizbullah is even less likely to endanger itself on behalf of the secular Syrian regime, and for Damascus, Hizbullah has been little more than an instrument for manipulating Lebanese affairs and to use against Israel. Hizbullah Deputy Secretary-General Na’im Qassem’s response, when asked in September 2007 about a possible reaction to an attack on Iran or Syria, is noteworthy: ‘The state that comes under attack is responsible for responding to the attack and defending itself.’”²⁴

²² “Iraq Admits it will Take Time to Reopen Syria Pipeline,” *Agence France Presse*, September 8, 2007.

²³ 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. 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).

²⁴ Abbas William Samii, “A Stable Structure on Shifting Sands: Assessing the Hizbullah-Iran-Syria Relationship,” *Middle East Journal*, Volume 62, NO.1, Winter 2008.

Syria is an important interlocutor between Iran and its Hezbollah protégés; Iranian weapons transit through Syria on their way to Hezbollah caches in Lebanon. 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. In March 2007, Israeli officials presented the U.N. Security Council and foreign governments with evidence and pictures of trucks crossing from Syria into Lebanon and unloading weapons.²⁵ One former U.N. peacekeeping official said it would be “humanly impossible” to cut off the flow of arms to Hezbollah without Syrian help,²⁶ commenting on the task of interdicting Lebanon’s porous 230-mile border with Syria and 140-mile Mediterranean coast line.

On April 15, 2008, Israeli Defense Minister Ehud Barak said that Syria was still supplying weapons to Hezbollah, asserting “[United Nations Security Council] Resolution 1701 is not being applied.... The transfer of rockets from Syria to Lebanon is continuing and Hezbollah’s military build-up is continuing.” A month earlier, Israel reportedly had warned Syria (through a European intermediary) that it would hold Damascus accountable if Hezbollah launched attacks against it in revenge for the February 2008 killing of Imad Mughniyeh,²⁷ Hezbollah’s long-time special operations or intelligence chief.²⁸ After Mughniyeh’s mysterious murder in Damascus, Hezbollah leader Hassan Nasrallah accused Israel of carrying out the operation and vowed revenge. In early April 2008, Israel conducted a number of disaster response drills in preparation for a potential future conflict with either Hezbollah, Syria, or both. During the week-long drills, a large portion of Israel’s population participated in civil defense exercises that authorities said were an attempt to apply the lessons learned during Israel’s 2006 war with Hezbollah.

Syrian Attempts to Bring Down the Lebanese Government.

Lebanon’s government is in crisis. Formed after the murder of former Prime Minister Rafiq Hariri and the subsequent and historic 2005 election that brought an anti-Syrian majority (known as the March 14 coalition) into power, the government has witnessed cabinet resignations, assassinations of its politicians, labor strikes, a war

²⁵ “Ban in Lebanon: Arms Smuggling from Syria could Threaten Cease-Fire,” *Ha’aretz*, March 31, 2007.

²⁶ “Emerging UN Force for Lebanon Doomed by Sidelining Syria: Ex-diplomats,” *Agence France-Presse News Wires*, August 17, 2006. The speaker added that “[y]ou cannot control the border with Syria” [without Syrian cooperation].

²⁷ On February 13, 2008, Imad Mughniyeh was killed in a car bombing in Damascus, Syria. Mughniyeh had been responsible for high profile terrorist attacks against Americans, Israelis, and other foreign nationals. U.S. officials assert that he was behind the bombings of the United States Embassy and Marine barracks in Beirut, Lebanon in 1983. Mughniyeh also was reported to be behind the kidnapping of western hostages in Beirut during the 1980s. No one has claimed responsibility for his killing. Many analysts have speculated that Israel had carried out the operation, though some believe that Syria itself or another Arab state could have had a hand in Mughniyeh’s murder. Days after the bombing, Hezbollah held a funeral for Mughniyeh and threatened to retaliate against Israel.

²⁸ “Israel Secretly Warned Syria about Hezbollah,” *Reuters*, March 14, 2008.

with Israel, an insurrection by foreign and Palestinian militants, and a protracted political struggle over the presidency during the past two years. Some Lebanese leaders believe Syria, its intelligence services, and its Lebanese allies are behind these crises. Although anti-Syrian Lebanese leaders sometimes exaggerate Syria's reach, most analysts believe that Syria and its supporters in the opposition (e.g., Hezbollah, retired General Michel Aoun) intend to bring down Prime Minister Siniora's government using all means necessary. Whether this opposition coalition would remain united in the event of an end to Siniora's rule is questionable.

The latest phase of the crisis is focused on the selection of a Lebanese president. The term of pro-Syrian President Emile Lahoud expired in late November 2007. Army commander Michel Suleiman is now the consensus presidential candidate; however, the 128-member parliament, which must elect a Maronite Christian president based on the unwritten 1943 National Covenant, has repeatedly postponed an election due to infighting between March 14 and the opposition over cabinet seats. Hezbollah has demanded that it receive control of one-third plus one of the cabinet seats. This arrangement potentially would allow Hezbollah to veto certain policies. Hezbollah would like to block any attempt by the government to disarm its militia, as called for by United Nations Security Council Resolution 1701 and subsequent Security Council statements.²⁹ In addition, Hezbollah likely would seek to thwart any future Lebanese government cooperation with the UN-sponsored international tribunal, which was established to prosecute persons responsible for the Hariri assassination.

Overall, there is no consensus over whether the continuing political stalemate will lead to a resumption in sectarian violence. In January 2008, seven Lebanese Shiite men were killed by the army during a protest by Shiites over power cuts.³⁰ The army, still led by Suleiman, pledged to investigate the incident and no further violence ensued. Nevertheless, the rearmament of Lebanese factions remains a distinct possibility.³¹

The Hariri Investigation and Alleged Syrian Involvement. 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.³² 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

²⁹ *Associated Press*, "U.N. Security Council Calls on Hezbollah to Disarm," April 15, 2008.

³⁰ "Beirut Shootings Hit Shi'ite Trust in Army," *Reuters*, January 31, 2008.

³¹ International Research Center, "The Formation and Rearming of Militias Threatens Lebanon's Security," *Transnational Security Issues Reports*, March 21, 2008, accessed on Open Source Center.

³² Since late 2005, four Lebanese generals have been detained without charge for their alleged role in the Hariri assassination. Generals Jamil Sayyed, Ali Hajj, Raymond Azar, and Mustafa Hamdan were formerly the heads of various military and intelligence agencies inside Lebanon.

“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.”

Berlin prosecutor Detlev Mehlis, who served as the first chief investigator, released several preliminary findings early on that suggested possible Syrian involvement in Hariri’s murder. In an October 2005 report, dubbed the “Mehlis Report,” the prosecutor wrote that “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.” An initial release of the Mehlis report contained the names of senior Syrian officials, including Syria’s military intelligence chief, Asef Shawkat, the president’s brother-in-law. These names were omitted from the report’s final draft.

Serge Brammertz, a Belgian prosecutor with the International Criminal Court, succeeded Mehlis, though his findings were less specific than his predecessor. Brammertz noted on several occasions that Syria had cooperated with his investigation, and he never specifically named any suspects. In a January 2008 interview, Mehlis criticized the slow pace of Brammertz’s investigation, saying that “I haven’t seen a word in his reports during the past two years confirming that he has moved forward.”³³

Brammertz was replaced at the end of 2007 by Canadian prosecutor Daniel Bellemare. 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 March 2007, the Security Council extended the Commission’s mandate until June 15, 2008.

The International Tribunal. On May 30, 2007, a divided U.N. Security Council voted by 10 to 0 with 5 abstentions (Russia, China, South Africa, Indonesia, and Qatar) to adopt Resolution 1757, which establishes a tribunal outside of Lebanon to prosecute persons responsible for the Hariri murder of February 14, 2005.³⁴ The resolution contains a detailed annex covering the establishment of the tribunal. Syria has adamantly refused to acknowledge the legality of the tribunal and has stated that

³³ “The Journal Interview with Detlev Mehlis: Justice for Lebanon,” *Wall Street Journal Europe*, January 28, 2008.

³⁴ 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. Syria’s allies in Lebanon managed to obstruct the government’s approval of the tribunal, which was approved by the cabinet but never raised in parliament. After months of wrangling, 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.

if solid evidence is produced against its nationals, it will try them at home. Currently, the United Nations is working on the details of the tribunal procedures, as it seeks funding and a panel of international and Lebanese judges. The United States has pledged \$13 million toward the tribunal, which will be funded by contributions both from the international community and the Lebanese government.

In April 2008, a key witness in the Hariri investigation disappeared. Mohammed Zuheir al-Saddiq, a former member of Syria's security services who was detained in October 2005 in a Paris suburb in connection with the Hariri murder, reportedly disappeared from his home and was in hiding fearing an attempt on his life. According to various news accounts, Saddiq said that Syrian President Bashar al Asad and his Lebanese counterpart Emile Lahoud ordered Hariri's killing.³⁵

Political Assassinations. Since the assassination of former Lebanese Prime Minister Rafiq Hariri in February 2005, Syria has been repeatedly accused of using assassination as a tactic to intimidate and silence anti-Syrian Lebanese politicians, journalists, and activists. Several anti-Syrian figures were killed on or around dates related to the ongoing investigation of Hariri's murder and subsequent efforts to establish an international tribunal to try his suspected killers. To date, several prominent Lebanese individuals have been killed, including four members of parliament.³⁶ They include:

- Samir Kassir (June 2, 2005) - columnist for the independent newspaper *An-Nahar*,
- George Hawi (June 21, 2005) - former Communist Party secretary general,
- Gebran Tueni (December 12, 2005) - former editor and publisher of *An-Nahar*, also served in parliament,
- Pierre Gemayel (November 21, 2006) - industry minister, member of the anti-Syrian bloc in parliament, and member of a prominent Christian family,
- Walid Eido (June 13, 2007) - member of the anti-Syrian bloc in parliament.
- Antoine Ghanem (September 19, 2007) - parliamentarian and member of the Phalange Party, a partner in the ruling anti-Syrian majority.
- Brigadier General Francois al-Hajj (December 12, 2007) - head of the Lebanese Army's operations.

³⁵ "Hariri Probe Witness Hiding in Europe: Report, *Agence France Presse*, April 10, 2008.

³⁶ Currently, the anti-Syrian bloc in parliament controls 68 seats in the 128-seat legislature.

- Wisam Eid (January 25, 2008) - captain in a Lebanese police intelligence unit.

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 have placed a higher value on regional strategic interests rather than shared cultural and religious affinities.³⁷ 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. Others assert that the foundation of the Syrian-Iranian relationship — a shared concern over Iraq, support for Hezbollah in Lebanon, and countering Israel — is deeply rooted in the geopolitics of the region and cannot be easily overturned.

Reliable information on the extent of Iranian influence in Syria is difficult to quantify.³⁸ Nevertheless, there have been several recent reports of increased Iranian investment and trade with Syria. In the manufacturing and industrial sectors, Iran has proposed to build car manufacturing plants in Syria, establish an industrial zone for Iranian companies in Damascus, invest in concrete production and power generation, and overhaul Syria's urban transportation network. In the energy sector, Syria, Iran, Venezuela and Malaysia recently established a joint petroleum refinery in Homs, Syria. In addition, Iran, Turkey, and Syria reached a new natural gas deal that would allow Iran to export 105 billion cubic feet of natural gas annually to Syria via Turkey.

Syrian-Iranian military cooperation also may be expanding. During a visit to Damascus in the summer of 2007, Iranian President Mahmoud Ahmadinejad reportedly offered to provide Syria with \$1 billion in military aid with which Syria would purchase tanks, MIG-31 fighter jets, and anti-ship missiles from Russia and North Korea.³⁹

Syrian Support for Terrorist Activity

Since 1979, Syria has appeared regularly on a list of countries, currently five (Cuba, Iran, North Korea, Sudan are the others) 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, 2006*, published on April 30, 2007), "The Syrian government continued to provide political

³⁷ Thousands of Iranian Shiites do visit Syria annually on pilgrimages to several famous shrines and mosques.

³⁸ One expert on Syria's economy, Andrew Tabler, estimates that in 2007 Iran invested \$400 million in Syria, which is equal to 66 percent of Arab and half of all non-Arab investment in the country. See, "Getting Down to Business, The U.S. and Syria," *International Herald Tribune*, September 15, 2007.

³⁹ "Report: Iran Offers Syria \$1b. in Aid not to Negotiate with Israel," *Jerusalem Post*, July 22, 2007.

and material support to Hezbollah and political support to Palestinian terrorist groups.” The report also notes that although 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, “preliminary findings of a UN investigation into the February 2005 assassination of former Lebanese Prime Minister Rafik Hariri indicated a strong likelihood of official Syrian involvement.” 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. Since 2001, Khaled Meshaal, the head of the Hamas politburo, has lived in exile in Damascus, Syria.⁴⁰

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. In July 2007, an explosion at a secret military facility in Aleppo reportedly killed 15 people and injured close to 50. After months of secrecy surrounding the blast, Syrian officials acknowledged that the explosion occurred while attempting to weaponise a Scud-C missile with mustard gas, which is banned under international law.⁴¹ Most of those killed in the blast died as a result of exposure to VX and Sarin nerve agents and mustard blister agents. According to *Janes Defence Weekly*, “Other Iranian engineers were seriously injured with chemical burns to exposed body parts not protected by safety overalls.”⁴²

Overall, little information is available on Syrian biological programs; however, the preparers of a 2003 unclassified CIA study on Syrian proliferation estimate that

⁴⁰ Meshaal was based in Jordan until 1999 when he was expelled by Jordan’s King Abdullah II. After two years in Doha, Qatar, he moved to Syria.

⁴¹ “Syria Blast ‘Linked to Chemical Weapons’, Included Iranians: Report, *Agence France Presse*, September 19, 2007.

⁴² “Explosion aborts CW project run by Iran and Syria,” *Janes Defence Weekly*, September 26, 2007.

“Syria probably also continued to develop a BW capability.”⁴³ Syria has signed, but not ratified, the Biological Weapons Convention.

Nuclear. Syria, a signatory to the Nuclear Non-Proliferation Treaty (NPT), has one small Chinese-supplied nuclear research reactor, which is under International Atomic Energy Agency (IAEA) safeguards. Syria ratified the Nuclear Non-Proliferation Treaty in 1969; however, U.S. officials have expressed concern that Syria has not signed the IAEA Additional Protocol which augments the IAEA’s ability to investigate a country’s nuclear programs by, for example, providing for shorter-notice inspections of nuclear facilities.

The IAEA has been investigating whether several countries, including Syria, were involved in a nuclear technology procurement network run by former Pakistani nuclear official Abdul Qadeer Khan.⁴⁴ In a December 2007 interview with the Austrian newspaper *Die Press*, President Asad admitted that back in 2001, representatives of Khan had approached Syria, though Asad claimed that he had rejected those overtures, stating that “In 2001, we received a letter from a man introducing himself as Khan. We do not know if the letter was genuine or if it was an Israeli trap.... Anyhow, we rejected the offer. We are not interested in nuclear weapons or a nuclear facility, and I never met Khan.”⁴⁵ Officials sometimes name Syria as a country seeking nuclear weapons. According to a 2004 unclassified Central Intelligence Agency report on Syria, “Pakistani investigators in late January 2004 said they had ‘confirmation’ of an IAEA allegation that A.Q. Khan offered nuclear technology and hardware to Syria, according to Pakistani press, and we are concerned that expertise or technology could have been transferred. We continue to monitor Syrian nuclear intentions with concern.”⁴⁶ However, two former National Security Council officials have argued that a Syrian nuclear weapons program is unlikely. One former NSC official, Flynt Leverett, said in 2005 that “I guess it’s theoretically possible the Syrians have it, but I don’t know that we really have the evidence to indicate that they have it.”⁴⁷ More recently, former official Gary Samore said in a September 19 interview that “the Syrians have never, as far as we know, developed a nuclear weapons program.”⁴⁸

⁴³ Attachment A, Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2003.

⁴⁴ See Paul Kerr, “IAEA: Egypt’s Reporting Failures ‘Matter of Concern’,” *Arms Control Today*, March 2005.

⁴⁵ “Assad says in 2001 He Rejected Offer from Pakistani Smugglers to Buy Nukes,” *Jerusalem Post*, December 20, 2007.

⁴⁶ Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January-31 December 2004, [Released May 2006 by the Office of the Director of National Intelligence]. Available online at [http://www.globalsecurity.org/wmd/library/report/2006/wmd-acq_cia_2004.htm]

⁴⁷ “Inheriting Syria: Bashar’s Trial by Fire,” The Brookings Institution, The Saban Center, April 25, 2005.

⁴⁸ Bernard Gwertzman, Consulting Editor, www.CFR.org, “Samore: A Syrian-North Korean (continued...)”

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.

Missiles. Syria has one of the largest missile inventories in the Middle East, consisting of several hundred short-to-medium range ballistic missiles and artillery rockets similar to those fired by Hezbollah during the 2006 summer war. According to one recent report, Syria possesses “200 Scud-Bs, 60-120 Scud-Cs, and a smaller number of Scud-Ds, which are kept in hardened underground shelters located in hillsides and tunnels in various parts of the country.”⁴⁹ The Soviet Union, Syria’s longtime patron until its dissolution, sold Syria billions of dollars worth of military equipment, providing them, among other things, with SS-21 “Scarab” short-range missiles (range of 70km). Since 2004, Syria has sought to purchase Iskander E (SS-26 “Stone”) 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 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. Russia also pledged in 2007 not to sell either Iran or Syria the S-300PMU-2 Favorit, an advanced long-range Russian air defense system capable of simultaneously tracking multiple targets.

North Korean-Syrian Missile Cooperation. Once reliant almost exclusively on the former Soviet Union, Syria turned to North Korea for assistance with its missile programs. According to a September 2007 report in the *Jerusalem Post*, Syrian purchases of North Korean Scud-C missiles and launchers began in 1991 with a deal for hundreds of millions of dollars.⁵⁰ In subsequent years, Syria and North Korea reached deals to send missile-production and assembly equipment to manufacture Scud-Cs and Scud-Ds to Syria with assistance from resident North Korean engineers who helped upgrade and test the ballistic missiles.⁵¹

⁴⁸ (...continued)

Nuclear Relationship?” September 19, 2007.

[http://www.cfr.org/publication/14250/syriannorth_korea.html?breadcrumb=%2F]

⁴⁹ Michael Eisenstadt, “Syria’s Strategic Weapons Programs,” *Policywatch #1288*, The Washington Institute for Near East Policy, September 20, 2007.

⁵⁰ “The secretive Syrian-N. Korean alliance. Overseas sources show the history and scale of missile cooperation, *Jerusalem Post*, September 19, 2007.

⁵¹ “Expanding Iran-Syria Ties Draw Israeli Alarm,’ *Agence France Presse*, October 1, 2007.

Relations with Russia

The former Soviet Union was a longtime ally of Syria and a main supplier of arms to the Syrian military.⁵² Soviet advisors and military personnel were welcomed by the late Syrian President Hafiz al Asad, even as Soviet relations with other Arab governments, such as Egypt, deteriorated after successive Arab defeats at the hands of the Israeli military in 1967 and 1973 respectively. After Syrian forces clashed with Israeli troops during Israel's 1982 invasion of Lebanon, the Soviet Union re-supplied Syria with an entire new air force and replaced those tanks lost during the conflict. Soviet military sales to Syria in the 1970s and 1980s were extensive, as the Soviet Union accounted for 90% of all Syrian arms import during that period.

The collapse of the former Soviet Union deprived Syria of its superpower patron and of a reliable source of military and economic assistance. Both logistical and political factors limited the amount of aid the successor Russian Federation could or would extend to Syria, as the Russian economy eroded and Russia pursued a partial rapprochement with the United States. Syrian insolvency, coupled with a large Syrian debt to the former Soviet Union for military equipment previously bought, was also an obstacle to further Syrian arms purchases from Russia (see below). Periodic sales of older Soviet equipment to Syria continued, however, sometimes through former Soviet satellite states or newly emerging states. In the late 1990s, Russian officials began to talk of reviving former Syrian-Soviet military links and helping Syria modernize its inventory of older Soviet equipment, much of which had become obsolescent. Journalists speculate that a closer relationship with a former key Middle East client state would help Russian President Vladimir Putin obtain a foothold in a strategically important region where U.S. influence is on the rise.

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.⁵³ 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.⁵⁴ 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

⁵² The USSR first supplied Syria with military assistance in 1956 and economic aid in 1957.

⁵³ Russian-Syrian cooperation goes well beyond arms sales. In August 2007, Russia announced its intention to reestablish two Cold War era naval bases in Syria at the ports of Tartus and Latakia in the eastern Mediterranean. Many military experts believe that a Russian naval presence in the Mediterranean would be of more symbolic rather than strategic value. Others suggest that the bases, which have been in disuse since 1991, could allow the Russian navy to disrupt the Caspian oil pipeline which flows from Baku in Azerbaijan to the terminus of Ceyhan in Turkey.

⁵⁴ "Intelligence Pointers - Syrian Missile Order Sparks Israel Concern," *Jane's Intelligence Digest*, March 9, 2007.

summer 2006 war in Lebanon, Hezbollah militants reportedly used Syrian-supplied, Russian-manufactured anti-tank missiles against Israeli Merkava tanks, disabling several of them.⁵⁵ In February 2007, media reports suggested that Syria may purchase new stockpiles of Russian anti-tank missiles.

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.⁵⁶ 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.

Syria and the Middle East Peace Process

The Israeli-Syrian track of the peace process focuses on the Golan Heights, 450 square miles of land along the border that Israel seized during the June 1967 Six Day War. 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.

1994-2000. Syria participated in the 1991 Madrid peace conference, where it supported an end to the state of belligerency with Israel, but not a peace treaty, preferred a comprehensive Arab-Israeli peace, and rejected separate agreements between Israel and Arab parties. For both Syria and Israel, attending the U.S.-Soviet sponsored Madrid Peace Conference in October 1991 had the pragmatic effect of extending an indirect form of mutual recognition and each accepting the other's right to exist. The two governments continued the bilateral talks begun at Madrid with a series of meetings between diplomats and military officers in Washington. U.S. leaders, including former Presidents Clinton and Bush, former Secretaries of State James Baker and Warren Christopher, former Assistant Secretaries Robert H. Pelletreau, Edward Djerejian, and Richard Murphy, and former special envoy Dennis Ross, met with Syrian and Israeli leaders in Damascus, Jerusalem, and Washington to facilitate peace talks, serve as messengers between the parties, and act as mediators offering compromises to resolve disputes.

⁵⁵ 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*, February 22, 2007.

⁵⁶ On April 2, 1999, the Clinton Administration imposed sanctions on three Russian firms — Tula Design Bureau, Volsky Mechanical Plant, and Central Research Institute for Machine Tool Engineering — for supplying antitank weapons to Syria. The Clinton Administration also had determined that the Russian government was involved in the transfer but waived sanctions against the Russian government on grounds of national interest.

During the Clinton Administration, Syria gradually supported the opening of a bilateral Syrian-Israeli track with the United States serving as a facilitator of the negotiations. On January 16, 1994, during a meeting in Geneva, President Clinton reported that former Syrian leader Hafiz al Asad had told him that Syria was ready to talk about “normal peaceful relations” with Israel. Asad never expressed his ideas publicly, leaving it to his interlocutors to convey them.

On May 24, 1994, Israel and Syria announced terms of reference for military talks under U.S. auspices. 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 (November 1995), 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. Talks resumed at the Wye Plantation in Maryland in December 1995, but were suspended in February/March 1996 when Israeli negotiators went home after a series of suicide bombings in Israel. Several of the bombings were perpetrated by Palestinian terrorist groups based in Damascus, Syria.

A new Israeli government, formed in 1996 and led by Prime Minister Benjamin Netanyahu, called for negotiations, but said that the Golan is essential to Israel's security and water needs and that retaining Israeli sovereignty over the Golan would be the basis for an arrangement with Syria. Asad would not agree to talks unless Israel honored prior understandings, which, in his view, were based on a total withdrawal to the June 1967 borders.

More than three years would pass until a new Israeli government, led by Ehud Barak, would resume negotiations with Syria.⁵⁷ In June 1999, Israeli Prime Minister-elect Barak and Asad exchanged compliments via British writer Patrick Seale. (Asad's biographer) Israel and Syria later agreed to restart talks from "the point where they left off," with each side defining the point to its satisfaction. Barak and the Syrian Foreign Minister met in Washington on December 15-16, 1999, and in Shepherdstown, WV, from January 3-10, 2000. President Clinton intervened. On January 7, a reported U.S. summary revealed Israeli success in delaying discussion of borders and winning concessions on normal relations and an early-warning station. Reportedly because of Syrian anger over this leak, talks scheduled to resume on January 19, 2000 were "postponed indefinitely."

In late February 2000, Prime Minister Barak informed his cabinet that former Israeli leaders, including Yitzhak Rabin, had given guarantees that Israel would fully withdraw from the Golan Heights in exchange for Syrian security commitments.⁵⁸ However, in his discussions with President Clinton over approaching upcoming negotiations with Asad in Geneva, Barak reportedly asked Clinton to develop a compromise proposal that did not include a full Israeli withdrawal to the June 4, 1967

⁵⁷ An Israeli law passed on January 26, 1999 requires a 61-member Knesset (parliament) majority and a national referendum to approve the return of any part of the Golan Heights.

⁵⁸ “Rabin Vowed to Pull Back from Golan, Barak Says,” *New York Times*, February 28, 2000.

border.⁵⁹ On March 26, 2000, President Clinton met Asad in Geneva. A White House spokesman reported "significant differences remain" and that it would not be productive for talks to resume. Barak indicated that disagreements centered on Israel's reluctance to withdraw to the June 1967 border and cede access to the Sea of Galilee, on security arrangements, and on the early-warning station. Syria agreed that the border/Sea issue had been the main obstacle.

Hafiz Al Asad died on June 10, 2000; his son, Bashar, succeeded him. Ariel Sharon became Prime Minister of Israel in February 2001 and vowed to retain the Golan. In a December 1 *New York Times* interview, Bashar al Asad said that he was ready to resume negotiations from where they had broken off. Sharon responded that Syria first must stop supporting Hezbollah and Palestinian terror organizations.

Many experts believe that Israel and Syria had come extremely close to finalizing a peace deal. According to former U.S. Middle East peace negotiator Dennis Ross:

Unfortunately, the history of peacemaking, especially between Israel and Syria, suggests that opportunities are fleeting and fragile. They are easily lost. After the Rabin assassination, there was a moment. Asad was not up to moving quickly, but the original talks at the Wye River Plantation showed great promise. If not for the four Hamas bombings in Israel in nine days in 1996, there might well have been a deal in that election year. If not for Barak's cold feet, there might have been a deal in January of 2000.⁶⁰

Since the breakdown in talks eight years ago, Israel and Syria have periodically called for negotiations to resume. 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 from the point where the U.S.-sponsored negotiations left off in 2000.

Recent Developments. 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 January 2007, the Israeli daily *Ha'aretz* published a report about private Israeli and Syrian citizens who had drafted a document that calls on Israel to return 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. Israel believes that Syria may be bluffing and trying to improve its public image. The Bush Administration has repeatedly stated that there is no point in resuming Israeli-Syrian

⁵⁹ William B. Quandt, *Peace Process: American Diplomacy and the Arab-Israeli Conflict Since 1967*, Washington, D.C.: Brookings Institution Press and University of California Press, 2000.

⁶⁰ Dennis Ross, *The Missing Peace: The Inside Story of the Fight for Middle East Peace*. New York: Farrar, Straus, and Giroux, 2004, p.589.

negotiations over the Golan Heights as long as Syria sponsors terrorism, a position that Israel has taken over the last five years. During a 2007 visit to Israel, U.S. Secretary of State Condoleezza Rice argued that peace talks with Syria would reward Syrian President Bashar Al Asad for backing Hezbollah and maintaining ties with Iran. However, in September 2007, two months prior to the launch of a U.S.-sponsored international Middle East peace meeting, Rice remarked that "We're not standing in the way. If Israel and Syria believe that they can come to agreement, then they should come to agreement.... We haven't seen anything in Syrian behavior to this point that suggests that Syria is doing anything but acting in a destabilizing way in the Middle East.... But, you know, the United States is never going to stand in the way of states that want to make peace."

After months of speculation, Syria agreed to attend the U.S.-sponsored Annapolis peace summit in November 2007. It sent a deputy foreign minister to the meeting, and his presence sparked speculation about a possible resumption of Israeli-Syrian negotiations. Nevertheless, in the weeks following Annapolis, official Israeli and Syrian statements downplayed a possible thaw in relations. President Asad remarked, "It is perhaps too late to talk about peace in the last year of this U.S. Administration. It will be preoccupied with elections." Israeli Prime Minister Ehud Olmert also concluded, "Conditions are not yet at the point for talks with Syria.... There's enough that we will have to do that will be heartbreaking,"⁶¹ probably referring to ongoing talks with the Palestinians. In recent months, the Israeli, Syrian, and Turkish press have mentioned that the Turkish government is attempting to facilitate a resumption in the Israeli-Syrian peace track.⁶²

While many experts believe that the foundation for an Israeli-Syrian deal exists, larger strategic issues continue to divide the parties. From Israel's standpoint, there is concern about Syria's ability to guarantee that it would rein in Iranian-supported Hezbollah and prevent future attacks against Israel. From Syria's standpoint, a peace agreement with Israel, even a cold peace, would change the entire orientation of its foreign policy away from Iran, a change the Asad regime may be unwilling to make without guarantees of diplomatic and financial support from the United States and Europe. Furthermore, Syria may insist that it will be politically difficult to conclude a separate peace agreement with Israel without significant progress on the Israeli-Palestinian track.

Iraqi Refugees in Syria

Of all of Iraq's neighbors, Syria has absorbed the most Iraqi refugees (1.3 million est.).⁶³ Several suburban Damascus neighborhoods, such as Saida Zeinab and

⁶¹ "A Payoff for Syrians: Seats at the Table, at Least," *New York Times*, November 30, 2007.

⁶² "Columnist Comments on Turkey's Mediation Between Syria, Israel," *Hurriyet* (Istanbul), accessed via Open Source Center, Document ID#GMP20080407016004, March 31, 2008.

⁶³ As of January 2008, UNHCR has registered over 142,000 Iraqi refugees in Syria. In the past, the fear of coming forward and facing deportation has kept Iraqis from approaching UNHCR and documenting their plight. Now, as families deplete their savings, many more
(continued...)

Jeramana, have been completely overtaken by Iraqi refugees.⁶⁴ Reportedly, Iraqi political parties and religious groups have opened up liaison offices in Syria to service their fellow co-religionists. According to one writer's account, "For those Iraqis who do make it to Syria, there is little assistance. Some rely on the same political parties they know from Iraq."⁶⁵

Iraqis who have settled in and around Damascus have sought refuge from sectarian violence and random street crime, conditions that are contained by an authoritarian Syrian police state. In addition, it had been far easier for Iraqis to cross over the border into Syria and settle there without fear of deportation. However, in late 2007, the Iraqi government demanded that Syria tighten its border controls and stem the flow of refugees heading for Damascus. Reportedly, Iraqi Prime Minister Nuri al Maliki told the Syrian government that the constant flow of refugees undermined his government's efforts to stabilize Iraq.⁶⁶ As a result, the Syrian government imposed a new visa regulation in October 2007 requiring that all Iraqi passport holders obtain a special visa at the Syrian embassy in Baghdad before attempting to cross the border. While there are some exceptions to this new policy and Iraqis are still coming to Syria, the overall number of Iraqi refugees entering Syria has since declined.⁶⁷

Iraqi refugees in Syria, like in other neighboring countries, have had difficulty adapting to their new life circumstances. Though many Iraqis have enough personal savings to pay for food and shelter, more and more refugees are now returning to Iraq after having depleted their resources. According to a recent UNHCR survey in Syria, 46% of those Iraqis returning to their homeland said that they could no longer afford to live in Syria.⁶⁸ 33% of Iraqi surveyed claimed that their financial resources will last for three months or less, with 24% relying on remittances from family abroad to survive. Housing shortages in Iraqi neighborhoods have led to soaring rents. In order to assist the most destitute, aid agencies have begun issuing ATM cards to some refugees to pay for their basic needs. Other organizations have established food distribution programs in Syria.

In Syria, thousands of Iraqi women and girls have turned to prostitution to support their families, as Iraqis are barred from working there legally. According to one aide worker in Syria, "I met three sisters-in-law recently who were living

⁶³ (...continued)

are registering in order to receive certain aid benefits.

⁶⁴ Many Iraqis, particularly Shiites, were already familiar with the capital city of Damascus due to the presence of the shrine of Saida Zeinab (the Prophet' Muhammad's granddaughter) 6 miles south of the downtown area.

⁶⁵ Nir Rosen, "No Going Back," *Boston Review*, September/October 2007.

⁶⁶ "Syria Shuts Main Exit From War for Iraqis," *New York Times*, October 21, 2007.

⁶⁷ Iraqis can obtain a business and student visa for entering Syria. In addition, parents with children in Syrian schools and individuals seeking certain medical treatments also are allowed to enter Syria.

⁶⁸ "More Iraqis heading to Syria than returning home: UN," *Agence France Presse*, February 6, 2008.

together and all prostituting themselves.... They would go out on alternate nights, each woman took her turn, and then divide the money to feed all the children.”⁶⁹ Each month, the Syrian police detain and deport hundreds of Iraqi women engaged in prostitution.

The Syrian government has sought assistance from the international community in dealing with the Iraqi refugee issue. As a U.S. State Department-designated State Sponsor of Terrorism, Syria is ineligible for U.S. bilateral assistance. Syria claims that because it provides public subsidies for common household necessities such as bread and fuel, the rising demand for such benefits due to the influx of Iraqis is straining the national budget and costing Syria several billion dollars a year.

U.S. Policy Toward Syria

The collapse of the Arab-Israeli peace process post-2000, the subsequent start of the second Palestinian *intifada*, the September 11, 2001 terrorist attacks, the 2003 Iraq war, and Syria’s reaction to the Bush Administration’s policy toward Lebanon, have all hurt U.S.-Syrian relations. Some U.S. officials have argued that the United States should press for a change in Syrian behavior by pressuring the regime from within and by isolating it internationally. After the February 2005 assassination of former Lebanese Prime Minister Rafiq Hariri, widely blamed on Syrian agents, Secretary of State Rice recalled U.S. Ambassador Margaret Scobey to Washington for consultations; to date, the State Department has not sent a replacement.

After the 2006 Israeli-Hezbollah war, which was widely perceived as a setback for Israel and for U.S. efforts to stabilize Lebanon, criticism of Administration policy toward Syria grew. Some experts suggested that the United States resume normal diplomatic relations with Syria and engage the Asad regime in a broader dialogue. 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 it involve all parties, including Syria. Advocates of this approach believe that renewed U.S.-Syrian relations could renew Israeli-Syrian peace negotiations, secure Syrian support in stabilizing Iraq, and ensure Syrian assistance in isolating Iran and its Lebanese ally Hezbollah. 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.

In recent months, both advocates of engaging Syria and proponents of additional sanctions have proposed new actions. H.R. 2332, the 2007 Syria Accountability and Liberation Act, would place new sanctions on countries and individuals who help Syria gain access to weapons of mass destruction. It also calls for sanctions against those who invest \$5 million or more in Syria’s energy sector. On the other hand, a

⁶⁹ “Iraqi women survive in Damascus by prostituting themselves,” *International Herald Tribune*, May 28, 2007.

bipartisan group of high-level U.S. foreign policy experts recently sent a letter to President Bush stating that “We commend the Administration for its decision to invite Syria to the [Annapolis] conference; it should be followed by genuine engagement. A breakthrough on this track could profoundly alter the regional landscape. At a minimum, the conference should launch Israeli-Syrian talks under international auspices.”⁷⁰

U.S. Sanctions

In order to compel Syrian cooperation on issues of importance to U.S. national security policy in the Middle East, the Bush Administration and Congress have expanded U.S. sanctions on Syria. Analysts are divided over whether economic pressure on the Asad regime has been effective in achieving U.S. goals. On the one hand, it appears that sanctions have deterred American companies from investing in Syria’s energy and industrial sectors. According to one report, General Electric recently declined to bid on a Syrian government contract for the construction of power plants and then it persuaded Japanese-owned Mitsubishi not to bid either.⁷¹ On the other hand, the dollar value of U.S.-Syrian trade has increased in recent years (see table below). Reportedly, U.S.-made electronics are smuggled into Syria from Lebanon.

U.S.-Syrian Trade Statistics 2006-2007

(\$s in millions)

	2006	2007
U.S. Exports to Syria	\$221.4	\$356.7
U.S. Imports from Syria	\$188.4	\$159.4

Source: U.S. International Trade Commission (USITC) Interactive Tariff and Trade DataWeb, accessible at [<http://www.dataweb.usitc.gov>].

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.

⁷⁰ “Failure Risks Devastating Consequences,” *The New York Review of Books*, Volume 54, Number 17, November 8, 2007. By Zbigniew Brzezinski, Lee Hamilton, Carla Hills, Nancy Kassebaum-Baker, Thomas R. Pickering, Brent Scowcroft et al.

⁷¹ “Tired of Energy Ills, Syrians Doubt the West Is to Blame,” *New York Times*, August 15, 2007.

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.

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 provision 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 Appropriations 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 Section 607 of P.L. 110-161, the FY2008 Consolidated Appropriations Act. This section, 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.

The 2003 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.⁷² 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 Syria imports from the United States.⁷³

⁷² Christopher Marquis, "Bush Imposes Sanctions on Syria, Citing Ties to Terrorism," *New York Times*, May 12, 2004.

⁷³ Glenn Kessler, "President Imposes Sanctions On Syria," *Washington Post*, May 12, 2004.

Targeted Financial Sanctions

Since the initial implementation of the Syria Accountability Act (in Executive Order 13338 dated May 2004), the President has repeatedly taken action to sanction individual members of the Asad regime's inner circle.⁷⁴ E.O. 13338 declared a national emergency with respect to Syria and authorized the Secretary of the Treasury to block the property of individual Syrians. Based on section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the President has annually extended his authority to block the property of individual Syrians (first on May 5, 2005, then again on April 25, 2006, and lastly on May 8, 2007). When issuing each extension, the President has noted that the actions and policies of the government of Syria continued to pose an unusual and extraordinary threat.

The following individuals and entities have been targeted by the U.S. Treasury Department:

- On June 30, 2005, 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), as Specially Designated Nationals, thereby freezing any assets they may have in the United States and banning any U.S. persons, including U.S. financial institutions outside of the United States, from conducting transactions with them.⁷⁵ Kanaan allegedly committed suicide in October 2005, though some have speculated that he may have been murdered.
- On January 18, 2006, U.S. Treasury Department took the same actions against the President's brother-in-law, Assef Shawkat, chief of military intelligence.
- On August 15, 2006, the U.S. Treasury Department froze assets of two other senior Syrian officers: Major General Hisham Ikhtiyar, for allegedly contributing to Syria's support of foreign terrorist organizations including Hezbollah; and Brigadier General Jama'a Jama'a, for allegedly playing a central part in Syria's intelligence operations in Lebanon during the Syrian occupation.⁷⁶

⁷⁴ According to the original text of E.O. 13338, the President's authority to declare a national emergency authorizing the blocking of property of certain persons and prohibiting the exportation or re-exportation of certain goods to Syria is based on "The Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.) (NEA), the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, Public Law 108-175 (SAA), and section 301 of title 3, United States Code." Available online at [<http://www.treas.gov/offices/enforcement/ofac/legal/eo/13338.pdf>]

⁷⁵ See, [<http://www.treas.gov/press/releases/js2617.htm>]

⁷⁶ See, [<http://www.treas.gov/press/releases/hp60.htm>]

- On January 4, 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 (E.O.13382) 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.⁷⁷
- On August 1, 2007, the President issued E.O. 13441 blocking the property of persons undermining the sovereignty of Lebanon or its democratic processes and institutions. On November 5, 2007, the U.S. Treasury Department designated four individuals reportedly affiliated with the Syrian regime's efforts to reassert Syrian control over the Lebanese political system, including Assaad Halim Hardan, Wi'am Wahhab and Hafiz Makhluף (under the authority of E.O.13441) and Muhammad Nasif Khayrbik (under the authority of E.O.1338).⁷⁸
- On February 13, 2008, President Bush issued another Order (E.O.13460) blocking the property of senior Syrian officials. According to the U.S. Treasury Department, the order "targets individuals and entities determined to be responsible for or who have benefitted from the public corruption of senior officials of the Syrian regime. The order also revises a provision in Executive Order 13338 to block the property of Syrian officials who have undermined U.S. and international efforts to stabilize Iraq."⁷⁹ One week later, under the authority of E.O.13460, the U.S. Treasury Department froze the U.S. assets and restricted the financial transactions of Rami Makhluף, the 38 year-old cousin of President Bashar al Asad. Makhluף is a powerful Syrian businessman who serves as an interlocutor between foreign investors and Syrian companies. According to one report, "Since a military coup in 1969, the Asads have controlled politics while the Makhluףs have been big business players. The tradition continues in the next generation, with Bashar al-Assad (sic) as president and Rami Makhluף as a leading force in business."⁸⁰

⁷⁷ See, [<http://www.treas.gov/press/releases/hp216.htm>]

⁷⁸ See, [<http://www.treas.gov/press/releases/hp666.htm>]

⁷⁹ A previous executive order, E.O. 13315, blocks property of former Iraqi President Saddam Hussein and members of his former regime. On June 9, 2005, the Treasury Department blocked property and interests of a Syrian company, SES International Corp., and two of its officials under the authority of E.O.13315.

⁸⁰ "Sanctions on Businessman Target Syria's Inner Sanctum," *Washington Post*, February (continued...)

- Makhlef is a major stakeholder in Syriatel, the country's largest mobile phone operator, which is reportedly being sold to the Turkish company Turkcell. According to *Reuters*, negotiations over the sale were taking longer than expected because some Turkcell executives have U.S. passports.⁸¹ Makluf's holding company, Cham, is involved in several other large deals, including an agreement with Syria's state airline and a Kuwaiti company to set up a new airline. Several months ago, Dubai-based real-estate company Emaar Properties announced it had agreed to set up a \$100 million venture with Cham to develop real estate projects in Syria. Makhlef also is a minority shareholder in Gulfsands Petroleum,⁸² a publicly-traded, United Kingdom-incorporated energy company. According to the *Wall Street Journal*, a Gulfsands executive said the Treasury Department's sanctioning of Makhlof would have no impact on the company pursuing its partnership with Cham.⁸³

Recent Congressional Action

New Legislation. H.R. 2332, the Syria Accountability and Liberation Act, would place new sanctions on countries and individuals who help Syria gain access to weapons of mass destruction. It also calls for sanctions against those who invest \$5 million or more in Syria's energy sector. The bill also states that existing U.S. sanctions shall remain in effect until the President certifies that Syria has "ceased support for terrorism, has dismantled biological, chemical, or nuclear weapons programs and has committed to combat their proliferation, respects the boundaries and sovereignty of all neighboring countries, and upholds human rights and civil liberties."

H.Res. 738 (passed by the House on October 15, 2007), among other things, condemns the campaign of murder, terror, and intimidation aimed at overthrowing the democratically-elected government of Lebanon and establishing a new Lebanese government subservient to the will and interests of Syria and Iran. S.Res.353 (passed by the Senate on October 18, 2007), among other things, condemns the Governments of Syria and Iran for their undue material interference in the internal political affairs of Lebanon, including in the election of a new president, and for their repeated violations of the sovereignty and independence of Lebanon, and calls on the Governments of Syria and Iran to comply with United Nations Security Council Resolution 1701, particularly with respect to preventing unauthorized shipment of arms into Lebanon.

⁸⁰ (...continued)
22, 2008.

⁸¹ "Turkcell Continues Talks on Syriatel Stake," *Reuters*, April 14, 2008.

⁸² Gulfsands' chief executive and largest shareholder, John Dorrier, is an American citizen, and the company has offices in Houston.

⁸³ "Syrian Tycoon Bristles At US Sanctions Against Him," the *Wall Street Journal*, March 26, 2008.