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Syria: U.S. Relations and Bilateral Issues

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Syria: U.S. Relations and Bilateral Issues

SUMMARY

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

Syria participated in U.S.-sponsored bilateral peace talks with Israel between 1991 and 1996, when talks were suspended. A few months after the election of Israeli Labor Party leader Ehud Barak as Prime Minister of Israel, Syrian-Israeli talks resumed briefly under U.S. auspices in December 1999 and January 2000 but stalled again as the two sides disagreed over the sequence of issues to be discussed. A March 26, 2000 meeting in Geneva, Switzerland, between then Presidents Clinton and Hafiz al-Asad failed to produce an agreement on restarting the talks. Asad's successor and son, President Bashar al-Asad, has expressed support for the peace process but as not been willing to make concessions on territorial issues.

An array of bilateral issues continue to affect relations between the United States and Syria: the course of Arab-Israeli talks; questions of arms proliferation; Syrian connections with terrorist activity; Syria's role in Lebanon; and Syria's opposition to the U.S. occupation in Iraq. A variety of U.S. legislative provisions and executive directives prohibit direct aid to Syria and restrict bilateral trade relations between the two countries, due largely to Syria's designation by the U.S. State

Department as a sponsor of international terrorism. Syria has reportedly cooperated with the United States in investigating Osama bin Laden's Al Qaeda organization in the aftermath of the September 11 attacks but has been unwilling to sever connections with some other terrorist organizations. During a visit to Damascus on May 3, 2003, U.S. Secretary of State Colin Powell warned Syria to withdraw support from terrorist organizations and has repeated the warning since then. Also, after Operation Iraqi Freedom began in March 2003, senior U.S. officials warned Syria to stop permitting transit of military supplies and volunteer fighters through Syria to Iraq. Syria denies these allegations.

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

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



MOST RECENT DEVELOPMENTS

On December 16, 2004, the President warned Syria and Iran against meddling in the internal affairs of Iraq. In his State of the Union address on February 2, 2005, the President noted that “Syria still allows its territory, and parts of Lebanon to be used by terrorists...” and added that “we expect the Syrian government to end all support for terror...” Previously, during her confirmation hearings, then Secretary of State-designate Condoleezza Rice warned that Syria risked “long-term bad relations” with the United States and additional sanctions because of its policies regarding terrorism and Iraq.

The Syrian government cooperated with international efforts to facilitate voting by Iraqi expatriates in Syria for a Transnational National Assembly in Iraq, and Syrian Minister of Information Mahdi Dakhlallah described these elections as “a key step toward establishing stability there.”

BACKGROUND AND ANALYSIS

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

Syrian Politics and External Relations

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

Foreign Affairs. Syria’s relations with its neighbors have been marred in the past by border problems (with Turkey and Israel), disputes over water sharing (with Turkey and

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

Syria in Brief

Population (July 2003)	18,016,874 (Growth rate: 2.4%)*
Area:	185,180 sq km (71,498 sq mi), slightly larger than North Dakota
Ethnic Groups:	Arabs 90.3%; Kurds, Armenians, others: 9.7%
Religious Sects:	Sunni Muslim 74%; Alawite, Druze, Ismaili 16%; Christian 10%; Jewish (less than 0.01%)
Literacy (2003)	76.9% (male 89.7%, female 64.0%)
Gross Domestic Product (2003)	\$21.5 billion
External Public Debt (2003)	\$21.6 billion, including up to \$12 billion to Russia (inherited from Syria’s debt to former Soviet Union)
Inflation (2003)	1.5%
Unemployment (2003)	15% (20% by some estimates)

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

Source: CIA World Factbook 2003; Economist Intelligence Unit (London)

Syrian-U.S. Bilateral Issues

Arab-Israeli Peace Negotiations

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

make.”¹ A Syrian official dismissed these comments, saying that “[w]e do not give such statements any weight unless they are associated with a serious move (toward peace).”

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

After a hiatus of almost four years, teams headed by then Israeli Prime Minister Ehud Barak and Syrian Foreign Minister Faruq al-Shar’a held two rounds of talks in Washington and West Virginia in December 1999 and January 2000, respectively, at the invitation of then President Clinton. Further talks failed to materialize, however, as the parties disagreed over the sequence of discussions. Syria wanted to address border issues before dealing with other topics, while Israel wanted to concentrate first on security, water, and future bilateral relations. A meeting in Geneva between then Presidents Clinton and Hafiz al-Asad in March 2000 produced no agreement; Israeli territorial proposals conveyed by Clinton were unacceptable to Asad, who insisted on full Israeli withdrawal to the June 1967 border. In his inaugural address in July 2000, President Bashar al-Asad stated that “we are in a hurry to achieve peace, but we are not prepared to relinquish territory and we do not allow our sovereignty to be encroached upon.” Other Syrian officials have reiterated this position.

Peace Plans. At an Arab summit conference on March 27-28, 2002, Syria joined other Arab states in endorsing a peace initiative by Saudi Arabia’s Crown Prince Abdullah involving full Israeli withdrawal from Arab territories occupied since 1967 in return for normal relations with Israel in the context of a comprehensive peace. In a later interview published on May 11, 2003, Asad said any peace talks with Israel should be based on earlier U.N. resolutions, the 1991 Madrid conference, and the March 2002 Saudi peace plan.

In May 2003, Syria dismissed a U.S.-supported Palestinian-Israeli peace plan called the Road Map, complaining that the plan mentioned Syria “only in passing.” However, there have been reports of Israeli-Syrian contacts in the spring of 2003; according to comments attributed to the Israeli Foreign Minister in early December 2003, these talks broke down after word of the meetings was leaked.² Meanwhile, in a wide-ranging interview with the *New York Times* on November 30, 2003, President Asad called on the United States to use its influence to revive Israeli-Syrian negotiations, saying that Syria is not attaching any conditions to the talks but believes talks should resume where they left off in 2000 so as to take advantage of progress already achieved. (Israel believes that talks should start anew, i.e., without any preconditions.) Asad said that details of returning the Golan territory to Syria in return for security guarantees for Israel were already 80% complete by the time talks

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

² Estelle Shirbon, “Israel Had Contacts with Syria — Official,” *Reuters News Wire*, Dec. 3, 2003.

broke off in early 2000.³ In a subsequent interview on January 19, 2004, with the London-based Arabic language newspaper *al-Sharq al-Awsat*, President Assad appeared to deny the above reports of secret Syrian-Israeli contacts, saying that “if we want to negotiate, we will do so openly.”

Almost a year later, on December 2, 2004, Israeli Prime Minister Ariel Sharon told a press conference that “I am ready to meet President Assad under certain conditions.” The Syrian foreign minister objected that Sharon was setting conditions that Syria viewed as unacceptable. However, on the following day, the Syrian ambassador to London said that Syria would be willing to negotiate without preconditions and appeared to soften Syria’s previous demand that any peace talks resume from the point where they had left off. These comments followed an apparent offer by Assad relayed by a U.N. envoy in late November to resume negotiations without conditions.⁴

Syrian and Israeli Roles in Lebanon

Syria plays a dominant role in Lebanon, where it has maintained forces since 1976 ostensibly under an Arab League peacekeeping mandate and continues to facilitate resupply of the pro-Iranian Lebanese Shi’ite Muslim militia Hizballah located in southern Lebanon. Hizballah, on its part, periodically launches rocket attacks against Israeli forces near the Israel-Lebanese border and occasionally against targets in northern Israel. Under the so-called Taif Agreement of 1989, which terminated a 15-year civil war in Lebanon, Syria was to redeploy its forces to eastern Lebanon or back to Syria within two years from the implementation of the agreement (which took place in 1990) and U.S. administrations have taken the position that Syria should have withdrawn its troops from Lebanon in 1992. Before 2000, Syria cited the presence of Israeli military contingents in a so-called Israeli “security zone” in southern Lebanon as justification for Syria’s continued force presence and for Syria’s toleration of the continued Hizballah attacks.

In May 2000, Israel withdrew unilaterally from the security zone; however, Syria and the pro-Syrian Lebanese government asserted that Israel’s withdrawal was incomplete because it did not include a small 10-square-mile enclave known as the Shib’a Farms near the Israeli-Lebanese-Syrian tri-border area. Most third parties have taken the position that the Shib’a Farms is part of the Israeli-occupied Syrian Golan Heights and is not part of the Lebanese territory from which Israel was required to withdraw under a 1978 U.N. Security Council resolution; the U.N. Security Council has stated that the Israeli withdrawal was complete. According to the U.N. Secretary General in a report dated October 1, 2004 (see below), Syrian government sources have told him that about 14,000 Syrian troops remain in Lebanon, down from a one-time high of 40,000 (according to Lebanese officials); a total of five redeployments or withdrawals of Syrian troops have taken place since the signing of the Ta’if Agreement in 1989, according to the Syrian and Lebanese governments. The most

³ Partial text and commentary contained in Neil MacFarquhar, “Syria Pressing for Israel Talks,” *New York Times*, Dec. 1, 2003.

⁴ “Is Syria Serious about Peace with Israel?,” *The Daily Star* (Beirut), Nov. 30, 2004.

recent of these redeployments took place in mid-2004, according to the two governments, and involved approximately 3,000 troops.⁵

On September 3, 2004, apparently under pressure from Syria, the Lebanese parliament adopted an amendment extending Lebanese President Emile Lahoud's six-year term by an additional three years. Many Lebanese, especially from the Christian and Druze religious communities, opposed this step, which drew criticism from western countries as well. On the day before the parliamentary vote, the U.N. Security Council adopted Resolution 1559, sponsored by the United States and France, calling for "a free and fair electoral process in Lebanon's upcoming presidential election ... without foreign interference" and calling upon "all remaining foreign forces to withdraw from Lebanon." Syria's U.N. ambassador maintained that "Syria is not a foreign force in Lebanon, it is there at the request of the Lebanese government," while Lebanon's pro-Syrian government described the resolution as interference in the internal affairs of Lebanon.⁶ However, the resignation on October 20 of Lebanon's long-time Prime Minister Rafiq al-Hariri, the principal mover behind Lebanon's economic reconstruction, coupled with opposition among many Lebanese Christians to the three-year extension of Lebanese President Emile Lahoud's term of office, has been interpreted by observers as a sign of deepening divisions within the Lebanese political establishment over Syria's role in Lebanon.⁷ In the meantime, in an October 1 report mandated by Resolution 1559 (see above), the U.N. Secretary General stated that "[t]he Syrian military and intelligence apparatus had not been withdrawn as of 30 September 2004."

Relations with Iraq

As the United States began to move toward confrontation with Iraq in 2002, Syria expressed opposition to the use of military force against Iraq and called for lifting economic sanctions against that country, while urging Iraq to comply with U.N. Security Council resolutions imposed after the Iraqi invasion of Kuwait in 1990. On November 8, 2002, Syria joined the other members of the U.N. Security Council in voting for Resolution 1441, which cited Iraq as remaining in material breach of its obligations and mandated an enhanced weapons inspection regime in Iraq. However, Syria, like many other nations, took the position that Resolution 1441 did not automatically authorize an attack on Iraq and worked with like-minded members in the Security Council to avert passage of a second resolution that would contain a specific authorization. After the United States and its allies launched Operation Iraqi Freedom, Syria became a leading critic of the U.S.-led military campaign. Currently, the United States and Syria continue to differ on several issues involving post-war Iraq. Syria did, however, vote for U.N. Security Council Resolution 1511 of October 16, 2003. This resolution, supported by the United States, called for a U.S.-led multinational force in Iraq and contributions of troops or funds to support U.S. efforts to achieve stability there.

⁵ United Nations Security Council, Report of the Secretary-General pursuant to Security Council Resolution 1559 (2004). S/2004/777. Oct. 1, 2004.

⁶ On two previous occasions, in 1948 and in 1995, terms of Lebanese presidents have been extended.

⁷ Scott Wilson, "Lebanese Premier Quits in Sign of Tension on Syria," *Washington Post*, Oct. 21, 2004, p. A20.

Trade and Oil. Syria's relations with its erstwhile adversary Iraq began to improve in the late 1990s, as the two countries established diplomatic relations, though not at the ambassadorial level, and expanded trade relations. Numerous reports between 2000 and 2003 indicated that Iraq was shipping between 120,000 and 200,000 barrels of oil per day through a recently reopened pipeline to Syria, technically in violation of U.N. sanctions. President Asad failed to honor a commitment he made in 2001 to Secretary Powell to handle oil shipments from Iraq in accordance with the U.N.-approved oil-for-food program for Iraq.⁸ U.S. military forces shut down the pipeline in April 2003 after the war began. According to the U.S. Energy Information Administration, oil export routes from Iraq through Syria remain closed as of early February 2004. Other forms of bilateral trade have resumed, however, apparently with U.S. acquiescence.

Money. There have been reports that money withdrawn by Saddam Hussein or his henchmen from Iraqi banks found its way to Syria. According to a CNN broadcast on October 13, 2003, criminal investigators from the U.S. Internal Revenue Service and officials from the Central Bank of Iraq were dispatched to Damascus to look for these funds. According to a news wire article on January 29, 2004, an Iraqi official said Syria had agreed to return the funds, which Iraqis estimate at \$3 billion. In his 2004 interview with *al-Sharq al-Awsat*, however, President Asad said that the figure was about \$200 million and that a process of accounting is under way. According to press reports, the Bush Administration has accused the state-owned Commercial Bank of Syria of laundering money for terrorist organizations and holding \$200 million in accounts belonging to former members of Saddam Hussein's government.⁹ In September 2004, a delegation from the U.S. Treasury Department visited Syria to look into these allegations, which may have prompted subsequent U.S. punitive actions against the bank (see below). A subsequent press report states that wealthy donors are funneling money through Syria to the Iraqi resistance and adds that only half of an estimated \$1 billion transferred from the former Iraqi regime to Syrian banks has been recovered.¹⁰ In a *Washington Post* interview published on December 6, 2004, the senior U.S. military commander in the region, General John P. Abizaid, said Syria has given Iraqi Ba'athists a sanctuary in which to set up financial networks.

Infiltrators. U.S. officials continue to charge that Syria is allowing pro-Saddam volunteers from various Arab countries including Syria itself to cross its border into Iraq. According to a press report in July 2004, of about 5,700 enemy fighters currently detained by allied forces, 90 are non-Iraqi; over half of these are Syrians.¹¹ In its annual publication *Patterns of Global Terrorism: 2003* (published on April 29, 2004), the U.S. State Department said Syria had made efforts, not always successful, to tighten its borders with Iraq since the war in an attempt to limit the movement of foreign fighters into Iraq.

⁸ Commenting on Syria's unfulfilled pledge after the war, Secretary Powell said "I will always have that in my background software and on my hard drive." "Powell to Detail Concerns to Syria," *Washington Post*, May 3, 2003.

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

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

¹¹ "Foreign Detainees Are Few In Iraq," *USA Today*, July 6, 2004.

In his *New York Times* interview, President Asad maintained that Syria is no longer permitting anti-U.S. volunteers to pass through official border crossing points but that Syria is unable to prevent infiltration across the lengthy Syrian-Iraqi border (approximately 605 kilometers). He expressed doubt that what he estimated as 1,000 or 2,000 foreign fighters in Iraq were an important factor in the Iraqi resistance.¹² In his January 19, 2004 interview with *al-Sharq al-Awsat*, he spoke of the difficulties Syria had experienced in trying to prevent Iraqi incursions into Syria during the regime of Saddam Hussein. During a visit to Syria by the interim Iraqi Deputy Prime Minister Barham Salih on July 12, the two sides reportedly agreed to cooperate in controlling their 375-mile common border.

Subsequently there have been mixed signals from Washington and Damascus. Following a visit to Damascus by U.S. Assistant Secretary of State William Burns on September 11, 2004, and a meeting between Secretary Powell and the Syrian foreign minister in New York on September 22, Mr. Powell told CNN on September 26 that “[t]he conversations I had with the Syrians this week did not clear up all of the outstanding issues that we have with the Syrians, but I found it to be more positive than the earlier conversations I’d had.” Subsequent press articles quote western diplomats as saying Syria has exerted efforts to tighten border security since mid-September. According to a news article on September 27, however, a senior U.S. official gave the Syrian government “a very blunt warning about Syria’s actions undercutting what the United States is trying to accomplish in Iraq.” General Abizaid in his *Washington Post* interview stated that volunteer fighters from other Arab countries are given plane tickets to Damascus where they obtain false documentation, enabling them to infiltrate into Iraq. Previously, U.S. Chairman of the Joint Chiefs of Staff General Richard B. Myers said that it is hard to believe Syria is unaware of what is going on, but “[w]hether they’re supporting it is another question.”¹³ A *Washington Post* article on December 8, 2004, reports that U.S. officials believe the insurgency is being directed to a greater degree than previously thought from Syria, where pro-Saddam loyalists have found sanctuary. The article goes on to state that senior Iraqi Ba’thists operating in Syria are turning over money collected from private sources in Saudi Arabia and Europe to the insurgents in Iraq. The Syrian Ambassador in Washington rejected accusations of Syrian involvement, and the article notes that there are divergent views among U.S. officials about the nature of the insurgency and how it is being directed.

Military Equipment: To Iraq. During the year preceding Operation Iraqi Freedom there were reports that Syria had become a conduit for shipments of military equipment from eastern European countries to Iraq. Most of these shipments allegedly consisted of anti-aircraft missiles, guidance systems for SCUD surface to surface missiles, anti-aircraft guns, radar, and jet and tank engines. During the war, Secretary Rumsfeld told reporters on March 28, 2003 that military supplies including night vision goggles were being shipped from Syria to Iraq. During his January 19, 2004, interview, President Asad was asked about reports that a Syrian company had helped smuggle weapons to Iraq. Asad said he had asked the United States and Britain for specific information on the alleged transactions to enable Syrian authorities to check, but had not received any further information. A high-level U.S. defense

¹² In late October 2003, U.S. officials estimated the number of foreign fighters in Iraq at 1,000 to 3,000. Joel Brinkley, “Few Signs of Infiltration by Foreign Fighters in Iraq,” *New York Times*, Nov. 19, 2003.

¹³ “Few Foreigners Among Insurgents,” *Washington Post*, Nov. 16, 2004.

intelligence official has been quoted as saying that a sudden uptick in vehicular traffic from Iraq to the Syrian border prior to the onset of the U.S. campaign in March 2003 indicates movement of people and materiel to Syria; however, U.S. inspectors have not yet determined if Iraqi weapons were sent to Syria for hiding.¹⁴

Military Equipment: From Iraq. Conversely, there have been unconfirmed reports during and after the Iraq war that Saddam Hussein had shipped Iraqi chemical and biological weapons from Iraq to Syria for safekeeping. In October 2003, a high-ranking U.S. intelligence official suggested the possibility that Saddam had sent WMD materiel to Syria before the war began. In January 2004, when asked about reports that Saddam had shipped chemical and biological weapons to three sites in Syria in ambulances, then U.S. National Security Advisor (now Secretary of State nominee) Condoleezza Rice said she had not been able to fully assess the reports but said the Administration has no “indications that I would consider credible and firm that has taken place.”¹⁵

Relations with Post-Saddam Iraq. Syrian media criticized the newly installed Iraqi interim government for inviting the allied military forces to remain in the country. On June 2, 2004, during a visit to Spain, President Asad said Syria would judge the new interim government on the degree of success it achieves in assuring national unity in Iraq. On November 8, the Iraqi foreign minister said Syria had agreed to resume full diplomatic relations with Iraq and work with Iraq on border security. On November 8, the Iraqi Foreign Minister said Syria had agreed to resume full diplomatic relations with Iraq.

U.S. and Iraqi officials, however, have accused Syria on several occasions during November and December of interfering in Iraq and aiding Abu Musab Zarqawi, the head of an Al Qaeda affiliate in Iraq. The Iraqi Ambassador to Syria, for example, said U.S. and Iraqi troops had captured photos of Syrian officials during combat operations in an insurgent stronghold in Iraq in November.¹⁶ On December 16, President Bush warned Syria and Iran that “meddling in the internal affairs of Iraq is not in their interests.” His warning followed an accusation by Iraqi Defense Minister Hazem Shaalan that Syria is aiding Zarqawi and agents of former Iraqi President Saddam Hussein. The Syrian Foreign Ministry dismissed Shaalan’s remarks as “baseless accusations” but did not refer to President Bush’s remarks. With regard to charges that Syria provides a base of operations for Iraqi insurgents, Syrian officials maintain that it is difficult to monitor the Iraqi community; there are reportedly 250,000 to 300,000 Iraqis in Syria (some sources estimate a wider spread of 200,000 to 500,000).

Elections in Iraq. Syria has taken a low-key approach regarding the Iraqi elections on January 30, 2005, for a Transitional National Assembly. The Syrian government cooperated with international efforts to facilitate voting by Iraqi expatriates in Syria, and Syrian Minister of Information Mahdi Dakhlallah described the elections as “a key step

¹⁴ Rowan Scarborough, “Saddam Agents On Syria Border Helped Move Banned Materials,” *Washington Times*, Aug. 16, 2004.

¹⁵ Mike Allen, “Syria Role On Iraqi Arms Is Studied,” *Washington Post*, Jan. 10, 2004.

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

toward establishing stability there.” However, only 16,581 Iraqis had registered in Syria prior to the elections, possibly reflecting voter apathy and security concerns.¹⁷

Arms Proliferation

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

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

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

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

¹⁷ Scott Wilson, “Syria Backs Iraqi Vote As Key Step to Stability,” *Washington Post*, Jan. 29, 2005; Kim Ghattas, “Under Syria’s Watchful Eye, Voters Sample Democracy,” *Boston Globe*, Jan. 30, 2005.

its indigenous capabilities and we are monitoring Syrian nuclear intentions with concern.”

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

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

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

Possible Acquisition. In January 2005, Russian media and Israeli sources reported an impending sale by Russia to Syria of shoulder-fired SA-18 (“Igla”) air defense missiles and SS-26 (“Iskander-E”) surface to surface missiles. The SS-26’s reportedly have sufficient range to reach targets in much of Israel. During a visit to Russia by President Asad at the end of January, officials of both countries denied these reports. A Russian daily newspaper, however, reported that the deal was put on hold because of U.S. and Israeli pressure. The paper predicted that Russian President Vladimir Putin would cancel \$10 billion of Syria’s estimated \$13.4 billion debt to Russia, in conjunction with future Syrian arms purchases.

Terrorist Activity

Since 1979, Syria has appeared regularly on a list of countries — currently seven — that the U.S. State Department identifies as sponsors of international terrorism. According to the State Department’s most recent annual report on global terrorism (*Patterns of Global Terrorism, 2003*, published in April 2004), Syria has not been implicated directly in an act of terrorism since 1986, when Syrian intelligence was reportedly involved in an abortive attempt to bomb an El Al airliner in London. The report states, however, that Syria has continued to provide support and safe haven for Palestinian groups that have committed terrorist acts, and allows them to maintain offices in Damascus. The report also notes that Syria continued to permit Iranian resupply via Damascus of the Lebanese Shi’ite Muslim militia Hizballah in Lebanon. Syria admits its support for Palestinians pursuing armed struggle in Israeli occupied territories and for Hizballah raids against Israeli forces on the Lebanese border, but insists that these actions represent legitimate resistance activity as distinguished from terrorism.

Al-Qaeda. In some instances, Syria has cooperated with the United States against terrorist organizations, such as Al Qaeda. With a few exceptions such as Hamas and

Hizballah, the generally secular Syrian government tends to regard Islamic fundamentalist organizations as destabilizing. Since the September 11 attacks, a number of reports, including the State Department's *Patterns of Global Terrorism*, indicate that Syria has cooperated with the United States in investigating persons associated with Al Qaeda and sharing information gleaned from interrogating such individuals. On June 18, 2002, U.S. Assistant Secretary of State William Burns was quoted as telling a congressional committee that "the cooperation the Syrians have provided in their own self-interest on Al Qaeda has saved American lives." According to a more recent news report, Syria helped unravel a plot by an Al Qaeda group in Canada to attack U.S. and Canadian government installations.¹⁸ Details regarding the type of support provided by the Syrians, however, have been lacking, and some Members of Congress have expressed the view that Syrian cooperation against Al Qaeda has waned or has been exaggerated.

Further Developments. Then Secretary of State Colin Powell addressed U.S. concerns over terrorism and other bilateral issues with Syrian President Bashar al-Asad during a brief visit to Damascus on May 3, 2003. After their meeting, Powell told reporters that Syria had closed some Palestinian offices linked to terrorism; however, representatives of the affected organizations and Syrian government officials did not confirm the closures. In a subsequent interview with Lally Weymouth in the *Washington Post*, published on May 11, President Asad stated that "I talked with Mr. Powell about stopping 'activities,' not closures." On June 20, 2003, Secretary Powell told reporters that the Syrians "took some limited steps" but added that "those steps are totally inadequate." Powell has repeated these points several times since mid-2003; for example, on February 12, 2004, he told the Senate Foreign Relations Committee that "Syria has not done what we demanded of it with respect to closing permanently of these offices and getting those individuals out of Damascus." Meanwhile, in an interview with the London-based Arabic language newspaper *al-Sharq al-Awsat* on January 19, 2004, President Asad said that Palestinian groups had closed the offices in question on their own initiative to ease pressures on Syria, but that Syria had no legal grounds on which to expel the individual Palestinians who tenanted these offices. A fact sheet issued by the White House on May 11, 2004, criticized Syria for supporting terrorist groups (certain Palestinian groups and the Lebanese Hizballah militia) that undermine the U.S. goal of a comprehensive peace in the Middle East.

U.S. Aid and Sanctions

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

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

General Sanctions Applicable to Syria

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

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

A by-product of these two laws was the so-called state sponsors of terrorism list. This list is prepared annually by the State Department in accordance with Section 6(j) of the Export Administration Act. The list identifies those countries that repeatedly have provided support for acts of international terrorism. Syria has appeared on this list ever since it was first prepared in 1979; it appears most recently in the State Department's annual publication *Patterns of Global Terrorism: 2002*, published in April 2003. Syria's inclusion on this list in 1979 triggered the above-mentioned aid sanctions under P.L. 94-329 and trade restrictions under P.L. 96-72.

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

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

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

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

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

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

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

Section 531 of the Consolidated Appropriations Resolution, 2003 (P.L. 108-7) bans aid to countries not in compliance with U.N. Security Council sanctions against Iraq. This ban would be applicable to exports of Iraqi oil through Syria or to reported shipments of military equipment via Syria to Iraq; however, it may be moot following the collapse of Saddam Hussein's regime in Iraq.

Specific Sanctions Against Syria

In addition to the general sanctions listed above, specific provisions in foreign assistance appropriations enacted since 1981 have barred Syria by name from receiving U.S. aid. The most recent ban appears in H.R. 2673, the Consolidated Appropriations Resolution, 2004 (P.L. 108-199, January 23, 2004). Section 507 bans direct U.S. assistance to seven named countries including Syria. Section 527 bans U.S. aid to countries identified as supporting international terrorism, while Section 543 bans aid to countries that provide lethal equipment to such countries.

Section 307 of the Foreign Assistance Act of 1961, amended by Section 431 of the Foreign Relations Authorization Act for FY1994-1995 (P.L. 103-236, April 30, 1994), requires the United States to withhold a proportionate share of contributions to international organizations for programs that benefit eight specified countries or entities, including Syria.

Section 512 of H.J.Res. 2 (P.L. 108-7), sometimes known as the Brooke Amendment after an earlier version of this provision, bans assistance to any country in default of to the United States for over a year. As of December 31, 2001 (latest figures available), Syria owed the United States \$237.8 million (including \$116.3 million in arrears) in principal payments, mainly on loans under the Commodity Credit Corporation or from the U.S. Agency for International Development (USAID) remaining from the period when Syria received U.S. assistance; Syria also owed \$138.8 million in interest arrears.

Drawing on appropriate legislation, U.S. Administrations have imposed detailed trade restrictions on exports to Syria. Under Section 6(j) of the Export Administration Act of 1979, trade controls were instituted after Syria was designated as a country supporting international terrorism in 1979, and further controls were imposed after Syrian intelligence was implicated in an abortive bombing of an Israeli airliner in 1986. According to the Department of Commerce's *Country Commercial Guide* for 2004, U.S. exporters of dual use items (items with both civil and military applications) to Syria must apply to the Department of Commerce for export licenses, which are considered on a case-by-case basis. In 2003, Syria ranked 95th among U.S. trading partners, with \$241.4 million in U.S. imports from Syria (mainly mineral oils and fuels, antiques, apparel, and spices) and \$209.0 million in U.S. exports to Syria (mainly cereals, machinery, appliances and parts, tobacco, plastics, electronic appliances). These figures represent an increase in U.S. imports from Syria (\$112.4 million in 2002) and a decrease in U.S. exports to Syria (\$269.4 million in 2002). At least two U.S. energy firms are operating in Syria: Conoco-Phillips, which was quoted in a news wire article on February 10, 2004, as saying that it planned to end its operations in Syria; and Occidental Petroleum of the United States, which is part of a consortium selected by the Syrian government for a \$750 million contract to develop gas fields in eastern Syria.¹⁹

Recent Congressional Action

Foreign Operations Appropriation for FY2005. H.R. 4818, the Foreign Operations Appropriation bill for FY2005, which passed the House on July 15, 2004, repeated bans in previous legislation on assistance to Syria (Sec. 507). The Senate version, passed by voice vote on September 23, 2004, also contained this ban (Sec. 5007). However, the House version of H.R. 4818 also contained the following provision (Section 526): "Notwithstanding any other provision of law, up to \$1,500,000 of the funds appropriated by this act under the heading 'Economic Support Fund' may be provided to make grants to educational, humanitarian, and nongovernmental organizations and individuals inside Iran and Syria to support the advancement of democracy and human rights in Iran and Syria, and such funds may be provided through the National Endowment for Democracy." The Senate version contained a largely similar provision (Sec. 5026), but does not set a dollar amount in the case of Syria. The conference report (H.Rept. 108-792, November 20, 2004) on H.R. 4818, which was incorporated as Division D of the Consolidated Appropriations Act, 2005, repeats the ban on aid to Syria (Sec. 507); it also contains a provision making funds available for democracy, human rights, and rule of law programs for Syria (Section 526(b)(1)) but does not specify a dollar amount for these programs in the case of Syria. President Bush signed the bill as P.L. 108-447 on December 8, 2004.

¹⁹ "Syria: Defying Sanctions," *Economist Intelligence Unit — Business Middle East No. 305*, Apr. 16, 2004.

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

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

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

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

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

- Regarding Section 5(a)(1) and 5(a)(2)(A): The following exports are permitted: products in support of activities of the U.S. government; medicines otherwise banned because of potential dual use; aircraft parts necessary for flight safety; informational materials; telecommunications equipment to promote free flow of information; certain software and

technology; products in support of U.N. operations; and certain exports of a temporary nature.

- Regarding Section 5(a)(2)(D): The following operations are permitted: takeoff/landing of Syrian aircraft chartered to transport Syrian officials on official business to the United States; takeoff/landing for non-traffic and non-scheduled stops; takeoff/landing associated with an emergency; and overflights of U.S. territory.

Implications. The practical effects of implementing the Syria Accountability Act are likely to be limited, at least in the short term. First, as noted above, relatively few U.S. firms operate in Syria, and the trade bans contained in this act do not prohibit their operating in Syria. Fewer U.S. companies may want to operate in Syria in view of the new trade restrictions, and firms that continue to do so may have to rely on foreign suppliers to service their contracts, according to a State Department official as reported in the press.²⁰ Second, the volume of U.S.-Syrian trade is already limited. Syria's main import from the United States is cereals, which are permitted under the act. Third, Syrian aircraft do not normally fly to or over United States, and the President has invoked waivers to permit them to do so under exceptional circumstances. Fourth, waivers cover several categories of equipment — telecommunications equipment, aircraft parts; one sanctions specialist believes that products either permitted under the new legislation or covered by waivers constitute a large portion of the more-than-\$200 million which Syria imports from the United States.²¹

Further Steps. Some U.S. officials favor tightening sanctions against Syria further in view of reports that it is facilitating or permitting Iraqi insurgents to operate in Syria. On December 23, U.S. Deputy Secretary of State Richard Armitage reportedly warned Syria that the Administration might impose new sanctions if Syria failed to clamp down on fugitive Iraqi ex-officials. Press reports in early January 2005 indicate that the Administration is considering further limits on financial transactions with Syrian banks.²² During her confirmation hearings on January 18, 2005, Secretary of State designate Condoleezza Rice warned that Syria risked “long-term bad relations” with the United States and additional sanctions because of its policies regarding terrorism and Iraq.

In his State of the Union address on February 2, 2005, the President stated that “Syria still allows its territory, and parts of Lebanon to be used by terrorists who seek to destroy every chance of peace in the region.” He added that “we expect the Syrian government to end all support for terror and open the door to freedom.” He noted that Congress had passed the Syria Accountability Act and that the Administration is applying it. Syrian Ambassador to the United States Imad Mustapha expressed disappointment over President Bush's portrayal of Syria as a hindrance to peace and added that Syria continues to possess “the will to engage with the United States.”

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

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

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