



# Unrest in Syria and U.S. Sanctions Against the Asad Regime

**Jeremy M. Sharp**  
Specialist in Middle Eastern Affairs

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## Summary

This report analyzes the current unrest in Syria and the U.S. response to the Syrian government's crackdown against demonstrators. It also provides background information on U.S. sanctions against the Assad regime and its supporters.

A variety of U.S. legislative provisions and executive directives prohibit direct foreign assistance funding to Syria and restrict bilateral trade relations, largely because of the U.S. State Department's designation of Syria as a sponsor of international terrorism. On December 12, 2003, President Bush signed the Syria Accountability Act, P.L. 108-175, which imposed additional economic sanctions against Syria. Syrian individuals and government officials are subject to targeted financial sanctions pursuant to executive orders relating to terrorism, proliferation, and regional security. Successive administrations have designated several Syrian entities as weapons proliferators and sanctioned several Russian companies for alleged weapons of mass destruction or advanced weapons sales to Syria.

The following legislation introduced in the 112<sup>th</sup> Congress addresses the current situation in Syria.

- H.R. 2106, The Syria Freedom Support Act. Sanctions the development of petroleum resources of Syria, the production of refined petroleum products in Syria, and the exportation of refined petroleum products to Syria.
- H.Res. 296 (S.Res. 180 in the Senate). Expresses support for peaceful demonstrations and universal freedoms in Syria and condemns the human rights violations by the Assad Regime.
- H.R. 2105, The Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011. States that it shall be U.S. policy to fully implement and enforce sanctions against Iran, North Korea, and Syria for their proliferation activities and policies.
- S. 1048, The Iran, North Korea, and Syria Sanctions Consolidation Act of 2011. Amends the Iran, North Korea, and Syria Nonproliferation Act to include in the scope of such act a person that (1) acquired materials mined or extracted within North Korea's territory or control; or (2) provided shipping services for the transportation of goods to or from Iran, North Korea, or Syria relating to such countries' weapons of mass destruction programs, support for acts of international terrorism, or human rights abuses. Excludes from such provisions shipping services for emergency or humanitarian purposes.
- S. 1472, The Syria Sanctions Act of 2011. Denies companies that conduct business in Syria's energy sector (investment, oil purchases, and sale of gasoline) access to U.S. financial institutions and requires federal contractors to certify that they are not engaged in sanctionable activity.

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## Uprising and Crackdown in Syria

For a full account of recent events and an assessment of their implications, see “July and August 2011: Latest Developments.”

### Overview: Syria’s Changing Political Landscape and Repercussions For U.S. Policy

The Asad family has ruled Syria since 1970. President Bashar al Asad, like his father Hafez al Asad before him, has wielded almost total control over domestic politics and has steered the country’s outsized foreign policy to play key roles in multiple arenas in the Middle East (Lebanon, Israel-Palestine, Iran, and Iraq) despite Syria’s small size and lack of resources. Now, with the country in turmoil, many observers are interested in how prolonged Syrian instability (or a possible changing of the guard there) might affect other U.S. foreign policy priorities in the region, such as Lebanese stability and countering Hezbollah; limiting Iranian influence; and solving the Arab-Israeli conflict. Unlike in Egypt, where the United States has provided support to the military and democracy assistance to newly empowered political groups, the U.S. role in Syria is more limited. Some U.S. sanctions are already in place and Syria has been ineligible for U.S. aid due to its inclusion on the State Sponsor of Terrorism list. Military and intelligence cooperation is sporadic and limited. Thus the role the United States can play in Syria’s evolving domestic crisis is in question, and policymakers may be searching for channels of influence in order to preserve U.S. interests in a rapidly changing political landscape.

As of August 2011, reports suggest that over 2,000 civilians have been killed. In addition, Syrian human rights groups report that over 12,000 Syrian protestors have been arrested.

### Background

In March 2011, the public anger on display in other Arab countries surfaced in Syria, putting President Bashar al Asad on the defensive for the first time in his 11-year presidency. While Tunisia and Egypt had overthrown their top leaders and Bahrain, Libya, and Yemen had already begun to struggle with unprecedented degrees of civil unrest and conflict, Syria had largely been free of large-scale public protests that had been occurring elsewhere across the Arab world since December 2010. Syria has long shared many of the socioeconomic and political conditions that bred deep dissatisfaction with the status quo in other Arab autocracies, including high unemployment, high inflation, limited upward mobility, rampant corruption, lack of political freedoms, and repressive security forces. These factors fueled opposition to the Syrian government. Many observers assumed that Syria’s pervasive police state, lower level of Internet usage, and deep public sensitivity to potential Sunni-Alawite sectarian tensions would serve as a bulwark against spreading unrest.

Those assumptions have proven unfounded. Limited calls in February 2011 to organize protests and gatherings failed, but a violent government response to an isolated incident in the southern town of Dara’a in March provided a decisive spark for the emergence of protest movements. The use of force against demonstrators in Dara’a and later in other cities has created a corresponding swell in public anger and widespread participation in demonstrations. An escalating cycle of tension has continued to intensify, as the Asad government has paired what it portrayed as

responsiveness to some public demands for political reform with the use of military force against some protestors. Demonstrations and crackdowns are exacerbating sectarian divisions among Syrians, as pro-government Alawis confront predominantly Sunni Muslim demonstrators.

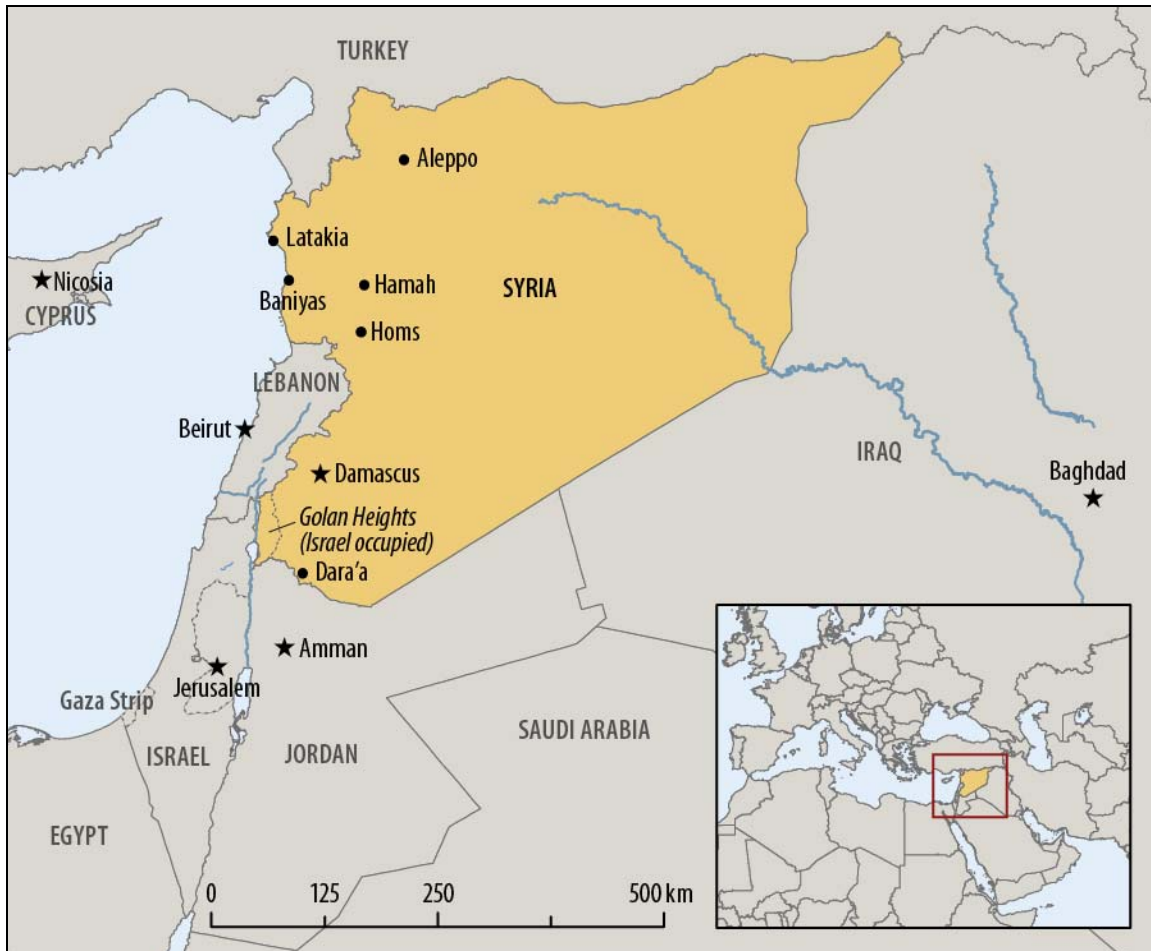
### **Timeline: Uprising in Syria**

On Friday, February 4, activists using social networking sites attempted to launch their own “day of rage” after prayers, but few demonstrators appeared amidst a heavy presence of security forces. On February 9, the state unexpectedly granted citizens access to Facebook, YouTube, and other popular social media websites as part of President Al Asad’s pledge to ease Internet restrictions. Critics charged that easing access to social media would allow the government to more closely monitor dissidents, and several Syrian bloggers were subsequently arrested.<sup>1</sup> For the next several weeks, small demonstrations persisted, but no single event was able to spark larger public protests.

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<sup>1</sup> Open Source Center, “Syria: Commentators Question Motives in Lifting Social Media Ban,” Document ID# FEA20110301015070, March 1, 2011.

Figure I. Map of Syria



Source: CRS Graphics

## Dara'a

On Friday, March 18, the first large-scale demonstrations took place in multiple locations across Syria, most notably in the southern town of Dara'a<sup>2</sup> near the Jordanian border (80 miles south of Damascus). Weeks earlier local police there had arrested 15 youths who had sprayed buildings with graffiti that contained, among other things, the slogan that drove the revolutions in Tunisia and Egypt: “The people want the regime to fall.”<sup>3</sup> With tensions already high, police opened fire on the protestors, killing six. The next day, during funeral processions for the slain victims, an estimated 20,000 people turned the procession into a protest, demanding the resignation of the town’s mayor and police chief. Instead, Syrian security forces sealed off Dara'a and police continued to use excessive violence to disperse protestors; the government promised an

<sup>2</sup> The town of Dara'a (alt. sp. Dera) is located in Dara'a province, a mostly tribal and rural area of some 300,000 Syrians, many of whom are Sunni Muslims. Before the recent outbreak of violence, it was considered an area supportive of the regime. Vice President Farouk al Sharaa is from Dara'a province. In recent years, the area has been hit hard by drought, and like many areas beyond the capital Damascus, it had suffered economically.

<sup>3</sup> “Syria’s Revolt: How Graffiti Stirred an Uprising,” *Time.com*, March 22, 2011.

investigation and sent mediators to calm citizens. On the third day (March 20), crowds chanting “no fear after today” set fire to the Baath Party’s headquarters and other government buildings, and police again used live ammunition, killing another demonstrator. Protestors turned a centrally located mosque in the old quarter of Dara’a into a gathering point and makeshift hospital. Police units subsequently stormed that mosque on March 22, resulting in additional casualties (including a prominent local doctor).

By March 24, news reports indicated that between 15 and 50 people had been killed by police, as the city had been reinforced by soldiers and secret police while crowds as large as 20,000 continued to demonstrate and hold funerals for those slain days earlier. President Asad dismissed the provincial governor and severed mobile phone access to Dara’a. He also pledged to increase salaries for public workers and allow more media freedom. He suggested that he was willing to study “the possibility of lifting the emergency law”<sup>4</sup> that had been in place since 1963 (it was lifted in April 2011, see below).

On Friday, March 25, a day dubbed “Dignity Friday” by protestors in Syria, government forces reportedly opened fire again on demonstrators, killing an unknown number of civilians. By then, confrontations were no longer confined to Dara’a and were occurring in several cities, though the capital, Damascus, was fairly quiet. Protests occurred in the port city of Latakia, where at least 12 people were reportedly killed between March 25 and March 27. Latakia is a mixed Sunni and Alawite town, and the government has deployed the army there to maintain order.

By March 27, at least 61 people had died during the government crackdown that started in Dara’a on March 18. Many reports indicate that the government has deployed armed gangs or irregular militias to intimidate and kill protestors.

### **Key Members of the Asad Family & Other Elites**

**Bashar al Asad**—The 45-year-old president of Syria. He has ruled Syria since 2000 after the death of his father. He 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 units, such as the army’s Fourth Division—the Syrian army’s equivalent of special forces.

**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 intelligence chief and deputy chief of staff of the Army. He used to be head of military intelligence and is part of the president’s inner circle.

**Fawwaz and Munzer al Asad**—Cousins of the president who are reportedly involved in militia-instigated violence.

**Rami Makhlef**—The 40-year-old cousin of President Bashar al Asad. Makhlef is a powerful Syrian businessman who serves as an interlocutor between foreign investors and Syrian companies.

**Hafiz Makhlef**—A cousin of the president and head of the Damascus branch of general intelligence.

**Iyad Makhlef**—Younger brother of Rami and an officer in general intelligence.

**Ihab Makhlef**—Younger brother of Rami and vice president of the SyriaTel mobile-phone company

**Manaf & Firas Tlass**—Both are the sons of former Defense Minister Mustafa Tlass. Firas is a wealthy businessman and head of the MAS Economic Group. Manaf Tlass is a high-ranking officer in the Republican Guard.

**Majd Suleiman**—The son of Bahjat Suleiman, a former high-ranking General Security Directorate officer. Majd Suleiman is head of the United Group, a media conglomerate.

<sup>4</sup> The law prohibited public congregations and enabled the authorities to detain people without trial. Protestors had demanded that it be canceled.

### **March 30: Asad's Speech**

On March 30, President Asad gave a widely anticipated speech before parliament in which he blamed the country's ills on foreigners and accused protestors of advancing "an Israeli agenda" against Syria, saying they had been "duped" or were conspiring to destroy the nation.<sup>5</sup> Asad dismissed his cabinet, but critics charge that the move was merely "window dressing," as he appointed a former agricultural minister and Ba'ath party loyalist as the new prime minister. He also pledged to form committees to "study" new reforms, including replacing the emergency law. Some analysts characterized President Asad's speech as a missed opportunity to stem further public unrest by offering fundamental political reform, and others interpreted the speech as a clear signal that his regime intended to use any means necessary to stop further demonstrations. Many observers had hoped otherwise. According to one Syria analyst, even until recent weeks, "there was a tendency to see him [Asad] as separate from the regime, that he could step out of his role."

The ensuing violence suggests to some that President Asad has chosen to protect the interests of his immediate family and the segment of the Alawite community they represent by any means necessary. Others note the probable influence of Asad's family and associates on the government's decision to use force to suppress protests as a means of preventing even larger demonstrations that could threaten the regime.<sup>6</sup>

### **April 2011: Regime Brutally Suppresses Protests, Makes Limited Reforms**

Throughout the month of April, President Asad suggested that reforms were forthcoming, even as his regime's security forces brutally suppressed protestors. On April 11, Syrian state media carried a statement from the Interior Ministry which declared that:

In recent weeks, groups of citizens gathered in demonstrations in several areas in Syria, particularly on Fridays, making a number of demands that were met with immediate response from the leadership.... The Syrian authorities, in order to preserve the security of the country, citizens and the governmental and services establishments, will confront these people and those behind them according to the law.... The Ministry of Interior affirms that there is no more room for leniency or tolerance in enforcing law, preserving security of country and citizens and protecting general order.<sup>7</sup>

The violence escalated on Friday, April 22, when an estimated 109 people were killed in a single day and many other activists and protestors are reported to have disappeared. As demonstrations increased with each passing Friday after prayers, the regime admitted that unrest in Syria was not simply a result of foreign meddling. Despite the regime's warning that it would deal harshly with all internal dissent, crowds of protestors kept growing. Some observers maintained that despite the alleged atrocities committed by the security forces, the protests had not reached a critical mass, as they had in Tunisia and Egypt during each country's respective revolution.

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<sup>5</sup> "Syrian Leader Blames 'Conspiracy' for Turmoil," *New York Times*, March 30, 2011.

<sup>6</sup> According to one report, "Mr. Asad is surrounded by relatives with reputations for ruthlessness, including his brother Maher al Asad, who commands the army's Fourth Armored Division, and his brother-in-law Assef Shawkat, an intelligence chief. The family is said to fear that easing up on protestors could embolden them, bringing much larger crowds into the streets." See, "Syrian Crisis Tests the Mettle of Its Autocratic Ruler," *New York Times*, April 24, 2011.

<sup>7</sup> "Syrian University Protests Violently Suppressed," *New York Times*, April 11, 2011.



Toward the end of the month, demonstrations were taking place in most Syrian cities, particularly in Homs, where security services were reportedly particularly harsh in their crackdown on residents. On April 25, the regime ordered armored army units to enter towns such as Dara'a in a demonstration of President Asad's resolve to quash the symbol of where the uprising started.

### ***Limited Reforms***

President Asad has coupled the violent suppression of his security forces with some limited reforms. On April 19, the decades-old Emergency Law was lifted, though many experts believe it will simply be replaced by an anti-terrorism law which will be equally as restrictive as its legal predecessor. According to Radwan Ziadeh, a Syrian human rights activist and visiting scholar at George Washington University in Washington, "The emergency law might be lifted but the state of emergency that governs every aspect of our lives will be the same."

President Asad also has pledged to loosen media restrictions, abolish state security courts, release political prisoners, and allow "approved" demonstrations. He has appointed new governors of Homs and Dara'a provinces. He also has promised to address long-standing Kurdish grievances such as finding a solution to the estimated 300,000 Kurdish Syrians who have been denied citizenship for decades. He also has ordered an investigation of police killings. After a meeting with the town leaders of Dara'a, President Asad allegedly remarked that "I saw how people from Dara'a destroyed my father's statues and my posters, but don't worry. I will forgive that as a father forgives his sons."

The Syrian opposition considers these reforms mere window dressing designed to buy the regime time in order to stave off even larger protests. In the meantime, numerous media reports suggest the government has deployed snipers on the rooftops of buildings overlooking street protests, as well as plain-clothes policemen who have attacked citizens.<sup>8</sup> Some reports even suggest that security forces have attacked ambulances and have entered hospitals to commit further violence.

### **May 2011: Syrian Cities and Towns under Siege**

By May, the Asad regime resorted to the use of overwhelming force to quell nationwide protests by primarily deploying loyalist security forces, irregular militias, and Alawite-led Army battalions to garrison and lay siege to urban areas throughout the country. Though the government had hoped that its encirclement of Dara'a in April using tanks would serve as a deterrent to other areas, because protests continued, various military units were deployed to neighborhoods in Homs (Syria's third-largest city), the port city of Baniyas, and several other smaller cities and towns. In each case, government forces employed similar tactics. Based on eyewitness accounts and reporting from various Syrian human rights groups both abroad and on the ground, young men between the ages of 18 and 45 were arrested and transported by buses to makeshift prisons in public areas such as soccer stadiums; house-to-house raids were conducted; telephone and electricity lines were cut; residents were ordered to stay indoors; checkpoints were established along urban perimeters; protestors were beaten with sticks and hit with tear gas; and when

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<sup>8</sup> Syrians call plain-clothes security agents, usually distinguishable by their black leather jackets, *shabbiha* (translated literally as "ghosts"). According to one report, the Shabbihah (alt. sp. Shabeehah) "pit communities against each other to create a fear that prompts citizens to turn to the government for stability. Although Shabeeha members are found across sectarian lines, most are from the Alawite community." See, "Syrian 'Shabeeha' Thugs Are Assad's Tool in Protest Crackdown, Groups Say," *Bloomberg*, June 1, 2011.

demonstrators continued, protestors were ultimately shot by security services. Police also continued a policy of enforced disappearance, as hundreds of activists have gone missing during the crackdown.

The Syrian government continued to blame Israel, other foreign powers, and Salafi militant groups for sponsoring an armed insurrection on its soil. One government spokeswoman and former minister did acknowledge that there are Syrians dissatisfied with the status quo. According to Bouthaina Shaaban:

There is a difference between peaceful protesters and armed groups.... We don't crush peaceful protests by force. Our problem is with armed groups.... Protesters went to the streets around the country and protested by peaceful means.... There are peaceful protests demanding legitimate demands, and the government is going to respond to those demands.<sup>9</sup>

Though the government employed a brutal campaign of repression throughout the month of May, which it has deemed successful, it also offered to launch a “national dialogue” with opposition members. Both longtime Syrian dissidents and the younger generation of activists have rejected the government’s offer, calling it a cynical attempt to brandish its reformist credentials while it continues to kill civilians. Some opposition members have said that if the regime ends its crackdown, frees all political prisoners, and promises to open up the political system to new parties, then a national dialogue process could ensue. It is unclear what impact the reported announcement of a general amnesty for political opposition groups will have on these calculations.

In the meantime, it appears that while Syrians have continued their demonstrations, government repression has somewhat kept unrest from overflowing into a full-fledged revolution. Though some protest activity has occurred in Damascus and Aleppo, neither city has witnessed the kind of mass demonstrations seen in Cairo and Tunis months earlier. Damascus and Aleppo are both home to many of Syria’s elite business families with long-standing monopolies granted by the regime.<sup>10</sup>

Funerals for those killed by security forces continue to serve as an outlet for public protest, and it is clearly evident that while repression has benefitted the regime, its gains are merely temporary, as the country faces a prolonged period of instability. According to the International Crisis Group:

Even if massive repression were to succeed in the short term, any such victory would at best be pyrrhic. In the wake of the crackdown, the security services would rule supreme. President Assad’s domestic and international credibility would be shattered. Few countries would be willing to lend a hand to redress a devastated economy. Major investments, development projects and cultural ventures would find few foreign partners. Assad might well prevent forcible regime change, but the regime will have been fundamentally transformed all the same.<sup>11</sup>

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<sup>9</sup> "Syria Offers 'Dialogue' to Opposition as Protests Continue," *Washington Post*, May 13, 2011.

<sup>10</sup> According to one expert, the business elites with direct ties to the Asad family number approximately 200, and many of them are shareholders in Souria Holding and Cham Holding, Syria's two largest private holding companies. A second group is “the merchant families of Damascus and Aleppo, the majority of whom are Sunni but also includes an important Christian component. This group is part of the Syrian silent majority.” See, Randa Slim, “Where's Syria's business community?” *Foreign Policy.com*, August 5, 2011.

<sup>11</sup> International Crisis Group, Syria: *Quickly Going beyond the Point of No Return*, New Media Release, May 3, 2011.

By the end of May, the protest movement gained some momentum after national outrage spread after images circulated on the Internet of the mutilated body of a 13-year-old boy, Hamza Ali al Khateeb, who was arrested in Dara'a in late April and then murdered by Syrian security forces. Secretary of State Clinton remarked that the murder "symbolizes for many Syrians ... the total collapse of any effort by the Syrian government to work with and listen to their own people." In order to deflect public and international anger, President Asad issued a general amnesty on May 31, though in reality, the government appeared to offer prison sentence reductions for some crimes.

### **June 2011: Protests Spread North, Refugees Flee to Turkey**

Beginning in early June, after the government claimed that 120 of its soldiers were killed by armed protestors in the largely Sunni Muslim town of Jisr al Shoghour, loyal Syrian army units were deployed to the North to lay siege to the town and others in the region. Other reports claim that soldiers stationed in Jisr al Shoghour defected from the army and clashed with loyal units. On June 12, security forces using tanks and helicopters retook the town and in the process, nearly 12,000 Syrians fled to Turkey, where they were relocated to refugee camps near the border. Between June 6 and June 21, other northern and far eastern Syrian towns have experienced protests and subsequent government repression, such as Tal Kalakh (near the border of northern Lebanon), Maarat al Numan (alt. sp. Ma'arrat an Nu'man), Khan Shaykhoun (alt. sp. Khan Sheikhun), and Deir el Zour (far east). Throughout the month of June, there were some reports of rank and file Sunni soldiers defecting from the army, though Syria's media blackout makes it difficult to confirm these reports.

### **July and August 2011: Latest Developments**

After six months of popular unrest against the government, the Asad regime's brutal suppression of its own people has become well known to the international community despite its attempt to mask its ongoing crackdown by banning most foreign media from operating inside the country. As of August 2011, Syrian dissidents claim that an estimated 2,000 people have been killed since the uprising began in March and over 12,000 citizens have been detained by authorities. One Syrian human rights group has identified 2,918 Syrians who have been arrested by security forces and whose whereabouts are unknown.<sup>12</sup>

In essence, internal security forces occupy a broad swath of rural and urban areas. In Syria's third-largest city of Homs, the week of July 17 witnessed sectarian murders after Alawites burned Sunni-owned businesses and homes in retaliation for the mutilations of three or four Alawite residents. In Syria's fourth-largest city, Hama (where in 1982 the government killed at least 10,000 people in a military operation against the now-exiled Muslim Brotherhood), reports indicate that tanks and army units that had been surrounding the city moved on July 31 against areas of the inner city controlled by protestors, killing over 70 people. Simultaneous raids on other cities were reportedly designed to show the government's ability to suppress nationwide protests planned for the Islamic holy month of Ramadan, which began August 1. In response to the latest raids, President Obama said:

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<sup>12</sup> "Almost 3,000 missing in Syria crackdown: NGO," *Agence France Presse*, July 28, 2011.

I am appalled by the Syrian government's use of violence and brutality against its own people. The reports out of Hama are horrifying and demonstrate the true character of the Syrian regime. Once again, President Assad has shown that he is completely incapable and unwilling to respond to the legitimate grievances of the Syrian people. His use of torture, corruption and terror puts him on the wrong side of history and his people. Through his own actions, Bashar al-Assad is ensuring that he and his regime will be left in the past, and that the courageous Syrian people who have demonstrated in the streets will determine its future. Syria will be a better place when a democratic transition goes forward. In the days ahead, the United States will continue to increase our pressure on the Syrian regime, and work with others around the world to isolate the Assad government and stand with the Syrian people.<sup>13</sup>

A week after Syrian forces stormed Hama, the government deployed tanks and other armored vehicles to Syria's fifth-largest city of Deir El Zour in the eastern part of the country. Like previous crackdowns, security forces killed dozens of residents and surrounded the city completely, cutting off all communication to the outside world. However, the government may have been more cautious in dealing with opposition in the eastern part of the country due to the strength of local tribes.

The capital, Damascus, and Syria's second-largest city of Aleppo have not experienced serious mass opposition protests, although a sizeable pro-government demonstration was held in Damascus in late June. However, the outskirts of the capital and its poorer suburbs have been hotbeds of public discontent. This could be a reflection of class differences (and perhaps sectarian differences), as the non-Alawite business elites in Damascus and Aleppo have yet to break with the regime. Other religious minority communities (Greek Orthodox and Druze among others) also have, on the whole, refused to join the uprising out of fear that they may be persecuted by the Sunni Muslim majority should it attain more political power. Some Syrian Christians allude to their desire to avoid the type of sectarian violence that has plagued neighboring Lebanon and Iraq as a motivating factor for their loyalty to the regime.

For its part, the Asad regime has proposed its own set of reforms, though these have been quickly dismissed by protestors. After a nationally televised speech in late June, President Asad called for a national dialogue, stating that his government distinguishes between those protestors with legitimate grievances and "the saboteurs who represent a small group which has tried to exploit the goodwill of the Syrian people for its own ends." An ensuing three-day national dialogue conference inside Syria, which was boycotted by most mainstream opposition groups, did issue a statement calling for the revision of the constitution and the repeal of Article 8, which guarantees Baath Party dominance in the country's political system. One opposition leader who refused to participate in the dialogue called the process "a dialogue between the authority and the authority itself," adding that "We decided to boycott the meeting because if we participated we would be partners in the bloodshed by the regime's military and security machine."<sup>14</sup> Several weeks after the dialogue, the cabinet passed a draft law that allows the formation of political parties other than the ruling Baath party. The new law would permit the formation of political parties provided they are not "based on religious, tribal or ethnic beliefs and do not discriminate against gender or race." Opposition activists charge that these conditions are designed to dissuade Islamists or Syrian Kurds from forming their own parties.

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<sup>13</sup> The White House, Office of the Press Secretary, Statement by the President on the Violence in Syria, July 31, 2011.

<sup>14</sup> "Syrian Opposition Leaders Boycott a Government Dialogue Opening," *New York Times*, July 10, 2011.

### ***Who are the Protestors?***

As of August 2011, a clearer picture of the Syrian protest movement is evolving, though most analysts still describe it as nascent and somewhat fractured.<sup>15</sup> Most media attention has been focused on exile groups because of their accessibility to the foreign press. At least two opposition conferences have been held in Turkey to date, the most recent culminating in the formation of the National Salvation Council. The council is composed of at least 25 members from various backgrounds, many of whom have been out of Syria for years, and reports indicate that its members are divided over declaring a government in exile.

Inside Syria, protests continue to be coordinated at the local level by the *tansiqiyat*, or coordination committees. A national organization called the Local Coordination Committees claims to be the umbrella group for all local protest planning in various cities and towns. On June 12, the group stated that its goal is for a peaceful “regime change.” There are most likely the same divisions between protestors in Syria (for example, between Islamists and more secular demonstrators) that have been evident elsewhere during the so-called Arab Spring. And there is a similar risk of extremists potentially taking advantage of the opening created by peaceful protestors.

Some protestors have been cautious to portray their movement as nationalist and cross-sectarian. In one march through the coastal town of Banias, crowds chanted “Not Sunni, not Allawi. Freedom is what we all want.” However, if majority-Alawite units are found to be committing atrocities against Sunni protestors, an increase in sectarian tension may be inevitable despite protestor efforts to the contrary.

In his testimony before the Senate Foreign Relations Committee on August 2, U.S. Ambassador to Syria Robert S. Ford remarked that “Asad and his circle will not endure forever, but it is not entirely clear who or what will follow. An additional focus of my work on the ground, which I do not advertise widely, is getting to know the leading activists and assessing their needs and opportunities for the United States to help. They are independent. They do not want American military involvement.”<sup>16</sup>

## **U.S. Policy Toward Syria: Administration and Congressional Response**

The regional political upheaval associated with “the Arab Spring” has brought new urgency to long-standing questions of human rights, transparency, and political reform in Syria. Persistent U.S. concerns about human rights in Syria have competed for policy makers’ attention over time with parallel U.S. concerns about Syria’s regional foreign policy, its support for terrorism, and its proliferation activities. Overall, the Administration is attempting to balance the need to denounce

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<sup>15</sup> Other obstacles have prevented the protest movement from transforming into a more established opposition force. For example, security forces intentionally target any visible protest leader and block efforts of the opposition to organize. In addition, youth activists are focused on organizing protests and evading arrest rather than debating terms for a future political transition. According to one Syrian protestor, “The people who are on the streets don’t want a leader.... Not only the Syrian people, but all the Arab people, are fed up with having a leader. It would create dissent and fragmentation.” See, “Syrian Revolt still Spontaneous and Leaderless,” *Washington Post*, July 28, 2011.

<sup>16</sup> U.S. Congress, Senate Committee on Foreign Relations, *Statement of Robert Ford Nominee, Ambassador To The Syrian Arab Republic*, 112th Cong., August 2, 2011.

the Asad regime's brutal tactics with the need to develop an international consensus in order to increase the pressure on the Syrian government.

In the spring of 2011, some critics charged that the Administration was slow to respond to the unfolding crisis.<sup>17</sup> Unlike in Libya, the Obama Administration stated in March that it would not militarily intervene in Syria at that point to stop the government's killing of civilians.<sup>18</sup> In August 2011, Chairman of the Joint Chiefs of Staff Admiral Mike Mullen reiterated that the United States has no plans to militarily intervene in Syria when he said that "There's no indication whatsoever that the Americans are, that we would get involved directly with respect to this. I think politically and diplomatically, we want to bring as much pressure as we possibly can to effect the change that so many countries are calling for."<sup>19</sup>

### ***New U.S. Sanctions and Tougher Administration Stance***

On April 29, President Obama issued Executive Order (EO) 13572<sup>20</sup>, which blocked the property and interests of five high-ranking Syrian officials and entities, including the president's brother, Maher al Asad; Ali Mamluk, the director of the Syrian General Intelligence Directorate (GID); Atif Najib, former head of the Syrian Political Security Directorate for Dara'a province and the president's cousin; the General Intelligence Directorate; and Iran's Islamic Revolutionary Guard Corps – Quds Force, which is allegedly assisting Syria in its crackdown. Most experts believe that while the practical effect of U.S. financial sanctions may be limited, U.S. leadership on the issue may encourage other countries to take action, particularly European countries that have more extensive banking and trade relationships with Syria.

Even after new sanctions were issued, the Obama Administration continued to issue statements demanding an end to the violence and indicating the Asad regime still had time to enact real political reform. In an interview in Italy on May 6, Secretary of State Clinton stated that:

Well, and I think it's fair to say that everyone has the same concerns—the United States, Italy, our other European and Arab partners—about what's going on in Syria. And we have been absolutely outspoken on that. We have begun to sanction Syrian leaders. I know the EU is considering doing the same. But the situation in Syria is even more complex in many, many eyes. There are deep concerns about what is going on inside Syria, and we are pushing hard for the Government of Syria to live up to its own stated commitment to reforms.... What I do know is that they have an opportunity still to bring about a reform agenda.<sup>21</sup>

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<sup>17</sup> In an interview published in late March, Secretary of State Hillary Rodham Clinton remarked that "There's a different leader in Syria now. Many of the members of Congress of both parties who have gone to Syria in recent months have said they believe he's a reformer." Critics assert that the statement implied support for the Asad government. In response, Secretary Clinton insisted that she "referenced opinions of others" and "was not speaking either for myself or for the Administration."

<sup>18</sup> Secretary of State Hillary Rodham Clinton stated in late March that "each of these situations is unique." She added that "What's been happening there [in Libya] the last few weeks is deeply concerning, but there's a difference between calling out aircraft and indiscriminately strafing and bombing your own cities than police actions [in Syria] which, frankly, have exceeded the use of force that any of us would want to see." "Twelve Killed in Syrian City of Latakia in Fighting With Security Forces," *Bloomberg*, March 27, 2011.

<sup>19</sup> "U.S. Military Chief Sees No Direct Syria Involvement," *Reuters*, August 2, 2011.

<sup>20</sup> Available online at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/13572.pdf>

<sup>21</sup> U.S. State Department Press Release, *Interview With Lucia Annunziata of "In Mezz'Ora"*, Secretary of State Hillary Rodham Clinton, Rome, Italy, May 6, 2011.

However, by mid-May, as the Syrian regime expanded its repression, the Administration began to take a tougher stance toward the Syrian government. On May 18, the President issued a second Executive Order (EO 13573),<sup>22</sup> which sanctioned President Asad himself, together with six other high-ranking officials, including Farouk al Shara (vice president), Adel Safar (prime minister), Mohammad Ibrahim al Shaar (minister of the interior), Ali Habib Mahmoud (minister of defense), Abdul Fatah Qudsiya (head of Syrian military intelligence), and Mohammed Dib Zaitoun (director of political security directorate).

A day later in his address on democracy in the Arab world and the peace process, though the President refrained from calling for President Asad's ouster, he more forcefully reiterated calls for reform and an end to repression, stating:

While Libya has faced violence on the greatest scale, it's not the only place where leaders have turned to repression to remain in power. Most recently, the Syrian regime has chosen the path of murder and the mass arrests of its citizens. The United States has condemned these actions, and working with the international community we have stepped up our sanctions on the Syrian regime—including sanctions announced yesterday on President Assad and those around him.

The Syrian people have shown their courage in demanding a transition to democracy. President Assad now has a choice: He can lead that transition, or get out of the way. The Syrian government must stop shooting demonstrators and allow peaceful protests. It must release political prisoners and stop unjust arrests. It must allow human rights monitors to have access to cities like Dara'a; and start a serious dialogue to advance a democratic transition. Otherwise, President Assad and his regime will continue to be challenged from within and will continue to be isolated abroad.<sup>23</sup>

On August 4, the Treasury Department added Muhammad Hamsho and his company to its Specially Designated Nationals List, prohibiting U.S. entities from engaging in any business dealings with him. According to Undersecretary for Terrorism and Financial Intelligence at the U.S. Treasury Department David Cohen, "Muhammad Hamsho earned his fortune through his connections to regime insiders.... During the current unrest, he has cast his lot with Bashar al-Assad, Mahir al-Assad and others responsible for the Syrian government's violence and intimidation against the Syrian people."

### ***Ford Visit and Administration Declares that Asad has "Lost Legitimacy"***

On July 7 and 8, U.S. Ambassador Robert Ford and French Ambassador to Syria Eric Chevallier visited the city of Hama for fact-finding purposes and "to show support for the activities that the Syrians themselves were undertaking to demand their democratic rights."<sup>24</sup> Reports from Hama suggested that Ambassador Ford was warmly received by crowds of activists and average citizens at a number of locations. Syrian authorities described the visit as "clear evidence of the U.S. involvement in the ongoing events in Syria and its bids to aggravate the situations which destabilize Syria." Supporters of Ambassador Ford's approach claim that by showing solidarity with Syrian citizens facing threats of regime violence, he advanced U.S. interests and

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<sup>22</sup> Available online at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/13573.pdf>

<sup>23</sup> The White House, *Remarks by the President on the Middle East and North Africa*, Office of the Press Secretary, May 19, 2011.

<sup>24</sup> State Department Spokesperson Victoria Nuland, Daily Press Briefing, Washington, DC, July 8, 2011.

demonstrated U.S. support for human rights in Syria. Critics contend the visit created an opportunity for the Asad regime to characterize the Hama protestors as U.S.-backed provocateurs and risked the continued safety and access of U.S. diplomats in Syria. On July 11, a pro-regime crowd attacked the U.S. Embassy in Damascus while protesting Ambassador Ford's visit to Hama.

In the wake of the embassy incident, U.S. Secretary of State Hillary Rodham Clinton made the strongest declaration yet against the Asad government. In part seeking to respond to speculation that the United States wants the Asad regime to remain in power, she stated that: "From our perspective, he has lost legitimacy.... If anyone, including President Assad, thinks the United States is secretly hoping that the regime will emerge from the turmoil to continue its brutality and repression, they are wrong. President Assad is not indispensable, and we have absolutely nothing invested in him remaining in power."<sup>25</sup> Critics of the Administration have said that this rhetoric should have been employed months earlier, while others welcomed it.

### **Congressional Action**

The Syrian government's use of lethal force in response to political demonstrations has refocused attention on the basic tenets of U.S. policy toward Syria. Some Members of Congress and nongovernmental observers argue that the recent violence demonstrates the futility of expecting any substantive reform by Syrian authorities and suggests that U.S. policy should shift toward outright confrontation and embrace regime change as a policy goal. These arguments have been met by wariness among Administration officials, some regional experts, and elements of the Syrian population about what the implications of confrontation would be, and what the implications of regime change would be for regional security, particularly in light of the delicate sectarian balance in the Levant. Other lawmakers have urged a more cautious approach while advocating gradual steps to increase international pressure against the Asad regime.

The following legislation introduced in the 112<sup>th</sup> Congress addresses the current situation in Syria.

- H.R. 2106, The Syria Freedom Support Act—Would, among other things, sanction the development of petroleum resources of Syria, the production of refined petroleum products in Syria, and the exportation of refined petroleum products to Syria.
- H.Res. 296 (S.Res. 180 in the Senate), A Resolution Expressing support for peaceful demonstrations and universal freedoms in Syria and condemning the human rights violations by the Assad Regime—Among other things, it urges the "President to continue to work with the European Union, the Government of Turkey, the Arab League, the Gulf Cooperation Council, and other allies and partners to bring an end to human rights abuses in Syria, hold the perpetrators accountable, and support the aspirations of the people of Syria."
- H.R. 2105, The Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011—States that it shall be U.S. policy to fully implement and enforce sanctions against Iran, North Korea, and Syria for their proliferation activities and policies. Would, among other things, prohibit U.S. nuclear

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<sup>25</sup> "In Shift, U.S. Turns against Embattled Syrian leader," *International Herald Tribune*, July 14, 2011.



cooperation agreements and related export licenses and transfers of materials, services and goods with a country that is assisting the nuclear program of Iran, North Korea, or Syria, or is transferring advanced conventional weapons to such countries.

- S. 1048, The Iran, North Korea, and Syria Sanctions Consolidation Act of 2011—Amends the Iran, North Korea, and Syria Nonproliferation Act to include in the scope of such act a person that (1) acquired materials mined or extracted within North Korea's territory or control; or (2) provided shipping services for the transportation of goods to or from Iran, North Korea, or Syria relating to such countries' weapons of mass destruction programs, support for acts of international terrorism, or human rights abuses. Excludes from such provisions shipping services for emergency or humanitarian purposes.
- S. 1472, The Syria Sanctions Act of 2011—Denies companies that conduct business in Syria's energy sector (investment, oil purchases, and sale of gasoline) access to U.S. financial institutions and requires federal contractors to certify that they are not engaged in sanctionable activity.

## **Possible Policy Options**

Should the Syrian regime continue to use violence against its own people, the Administration or Congress may come under pressure to take additional punitive measures against the Asad regime. Some possible policy options include:

- **New U.S. or International Sanctions Against Syria's Energy Sector:** Some experts have asserted that targeting Syria's energy sector is the primary way to deprive the regime of revenue. Policymakers could engage the European Union and request that it restrict the sale of Syrian oil in Europe.<sup>26</sup> Another tactic would be to pressure foreign oil companies doing business in Syria, namely Royal Dutch Shell, Total, Croatia's INA Nafta, Petro-Canada, India's Oil and Natural Gas Corp., the China National Petroleum Corp., and Russia's Tatneft.<sup>27</sup> However, some European countries could be sensitive to the humanitarian implications of harsher sanctions, and it is doubtful that Russia<sup>28</sup> and China, given their resistance to United Nations Security Council action against Syria, would allow sanctions that would require their energy companies to divest from Syrian investments.
- **Recall the U.S. Ambassador from Damascus and Restrict Movement of Syrian Diplomats in Washington, DC:** Despite Ambassador Ford's recent efforts to support Syrian protestors, some lawmakers wish to see the U.S. Ambassador to Syria recalled, as the George W. Bush Administration did in 2005. Critics of this approach believe that at this crucial time in U.S.-Syrian relations,

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<sup>26</sup> France, Germany, Italy and the Netherlands are the primary consumers of Syrian oil.

<sup>27</sup> See, Andrew Tabler, "Lights Out," *ForeignPolicy.com*, July 19, 2011.

<sup>28</sup> One recent Russian state news report indicated that the Russian Embassy in Damascus had held meetings with the Syrian opposition. The Spokesman of the Russian Foreign Ministry Alexander Lukashevich said that "We are having such contacts. Russia's position on the situation in Syria is being laid down in detail at the meetings. In most cases the Syrians take it with understanding." See, "Russia maintains contacts with Syrian opposition," *Itar Tass World Service*, July 27, 2011.

recalling the Ambassador would limit the U.S. ability to understand the rapidly evolving situation on the ground. Given the regime's hostility to recent U.S. policy, the Syrian government may attempt to restrict the movement of U.S. officials there, perhaps creating an opportunity to recall the U.S. Ambassador in protest.<sup>29</sup> Others have suggested that given the accusations by some Syrian American activists that the Syrian Embassy in Washington, DC, has attempted to silence them by threatening their families in Syria, the United States should restrict the movements of Syrian diplomats.<sup>30</sup> The Syria Accountability and Lebanese Sovereignty Restoration Act, P.L. 108-175, does permit the President to enact an option to "Restrict Syrian diplomats in Washington, D.C., and at the United Nations in New York City, to travel only within a 25-mile radius of Washington, D.C., or the United Nations headquarters building, respectively."<sup>31</sup> In August 2011, Italy recalled its ambassador from Damascus.

- **Charge Syrian Officials with War Crimes or Crimes Against Humanity:** Some reports suggest that the Administration believes that Syrian officials should be charged with war crimes. According to Stephen Rapp, the U.S. Ambassador-at-Large for War Crimes Issues, the killing of Syrian civilians demanding democracy is a "crime against humanity." Ambassador Rapp stated that "We are watching the situation in Syria very closely.... We see crimes against humanity. As a former prosecutor [in the special court for Sierra Leone] I can't tell whether it's ... systematic attacks against civilians based on a plan."
- **Implement Additional Provisions of the Syria Accountability and Lebanese Sovereignty Restoration Act, P.L. 108-175:** This law requires the President to impose two or more sanctions from a menu of six. In 2004, President Bush chose to ban U.S. exports to Syria other than food and medicine and ban Syrian aircraft landing in or overflying the United States.<sup>32</sup> The Administration could implement other menu items, such as a ban on U.S. businesses operating or investing in Syria, a reduction of diplomatic contacts with Syria, restrictions on travel by Syrian diplomats in the United States, and blocking of transactions in Syrian property.
- **Require New Reporting on U.S. Policy and Strategy toward Syria:** Congress could require the Administration to report to it concerning the regional security implications of the ongoing unrest in Syria and the potential implications of regime change there. Such a report could include requirements to describe the

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<sup>29</sup> According to one report, Syria warned the U.S. and French ambassadors not to travel outside Damascus without permission and, if they disobey the order, Syria will ban all diplomats from leaving Damascus. See, "Syria Warns Diplomats Not to Leave Damascus," *Wall Street Journal*, July 21, 2011.

<sup>30</sup> "FBI Agents meet with Syrian Activists," *Washington Post*, July 20, 2011.

<sup>31</sup> P.L. 108-175

<sup>32</sup> In the executive order and in an accompanying letter to Congress, President Bush cited the waiver authority contained in Section 5(b) of the Syria Accountability Act and stated that he wished to issue 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.

potential need for U.S. financial contributions to support possible international humanitarian, stabilization, peacekeeping, or advisory efforts in Syria, including under the auspices of the United Nations. Critics may suggest that such a reporting requirement would be unduly burdensome to the executive branch or premature given the fluidity of the current situation.

## **International Response**

### *Recent United Nations Developments*

The United Nations Security Council has remained divided over proposed action in response to the Syrian government's crackdown and held consultations in early August to address the matter. These meetings were the first Security Council action on Syria since the crisis began. The United States and its European allies reportedly have been pressing for clear condemnation of the Syrian government's actions, with wariness from China and Russia preventing action to date. Lebanon, which sits as a non-permanent Security Council member now, is against a resolution that would condemn its neighbor. In recent weeks, Russia has shown more flexibility in its position.<sup>33</sup> It has denounced the violence in Hama and one foreign ministry spokesman said that "We are not categorically against everything.... We are categorically against what doesn't help bring forward a peaceful settlement." Syrian officials have publicly stated that they are "relying on the Russian position." China also may be against sanctioning Syria at the United Nations, as one Chinese government spokesperson said that "The Chinese government supports the efforts made by Syria to safeguard its national sovereignty and stability and also hopes to see the early restoration of stability and normalcy in Syria."

On the other hand, members of the European Union, Canada, and others have joined the United States in sanctioning the Asad regime.<sup>34</sup> On June 6, French Foreign Minister Alain Juppe said that Syrian President Bashar al Asad has "lost his legitimacy" to rule Syria amid the crackdown against his own people. Weeks later, he remarked that President Asad had reached "a point of no return," amidst European Union plans to toughen sanctions against Syria. On August 2, the EU issued another round of targeted sanctions against the Syrian regime.<sup>35</sup>

On August 3, the Security Council issued a "presidential statement," not a resolution, that condemned "widespread violations of human rights and the use of force against civilians by the Syrian authorities." Russia opposed issuing a resolution, considering it excessive. Lebanon joined the 15-members of the Security Council required to pass a presidential statement, but then "disassociated" itself from the result.

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<sup>33</sup> Despite growing Russian criticism of Syria, it remains opposed to foreign military intervention in Syria. Russian officials have promised to veto any UN resolution that could authorize military action. Ambassador to the UN Vitaliy Churkin remarked that "events in Libya will cast a shadow for a long time on everything that happens at the UN Security Council."

<sup>34</sup> The European Union (EU) has sanctioned President Asad himself and 23 other members of the Syrian government, an act that bans them from traveling to the EU and freezes any EU-based assets.

<sup>35</sup> The EU sanctioned an additional five people including, Defense Minister Ali Habib Mahmud, Mohammed Mufleh, head of Syrian military intelligence in Hama, Major General Tawfiq Yunis, head of 'internal security' in the General Intelligence Directorate, Mohammed Makhoul, also known as Abu Rami, an uncle of Syrian President Bashar al Asad, and Ayman Jabir.

## *Turkey*

Other key actors, such as Turkey, have called on the president of Syria to reform but have refrained from calling for his immediate removal from power.<sup>36</sup> Turkey's Prime Minister Recep Tayyip Erdogan, who had cultivated close relations with Assad over the years and initially responded to the unrest in Syria by calling for political reform while expressing confidence in Assad's intention to pursue it, has begun to publicly criticize the regime's violent crackdown as it intensifies, particularly in northern Syria with its increasingly direct implications for Turkey's own border security. In a June 9 television interview, Erdogan said, "I heard that around 2,500 Syrians are about to enter Turkey [as refugees]. I spoke with al-Assad four to five days ago about the situation there. But they are underestimating this. They tell us different things. They are not acting in a humane fashion."<sup>37</sup> Turkey also allowed a conference of Syrian opposition leaders to take place in the city of Antalya from May 31 to June 3.

Some experts believe that Turkish pressure on regime officials outside President Assad's immediate family and inner circle could help encourage a revolt against Syria's leaders. According to Elliott Abrams, a senior fellow at the Council on Foreign Relations and former National Security Council official, "Messages from Turkish officials to the Alawite military establishment can help persuade them not to sacrifice their future in a vain effort to save the Assad mafia."<sup>38</sup>

## *Other Responses*

On August 8, as Syrian forces launched a second assault on the restive, mostly Sunni city of Deir El Zour in eastern Syria, Saudi Arabia responded by recalling its ambassador in protest. King Abdullah warned the Syrian government that its tactics were self-destructive, saying that "Syria should think wisely before it's too late and issue and enact reforms that are not merely promises but actual reforms.... Either it chooses wisdom on its own or it will be pulled down into the depths of turmoil and loss."

A special session of the U.N. Human Rights Council on April 29 adopted Resolution S-16/1, which "unequivocally condemns the use of lethal violence against peaceful protestors by the Syrian authorities" and requested that the U.N. High Commissioner for Human Rights provide a preliminary report on the situation of human rights in Syria. On June 14, the High Commissioner reported that the Office of the High Commissioner (OHCHR) "has received numerous reports alleging the excessive use of force by Syrian security forces against civilians, the majority of whom were peaceful protestors. The most egregious reports concern the use of live ammunition against unarmed civilians, including from snipers positioned on rooftops of public buildings, and the deployment of tanks in areas densely populated by civilians."<sup>39</sup> The High Commissioner noted reports of arbitrary detentions of women and children, human rights defenders, political

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<sup>36</sup> In recent years, Turkey has dramatically increased its trade and investment in Syria as part of its outreach strategy to Arab neighbors. In recent weeks, Turkish officials have expressed their dismay at the crackdown in Syria though it is unclear how much influence they are able to wield there.

<sup>37</sup> Open Source Center, "Turkey Slams Damascus, Refrains From Calling Fleeing Syrians 'Refugees'," *Hurriyet Daily News & Economic Review*, June 10, 2011, Document GMP20110611017003.

<sup>38</sup> Wall Street Journal, "Preventing Civil War in Syria," August 2, 2011.

<sup>39</sup> U.N. Human Rights Council, Preliminary report of the High Commissioner on the situation of human rights in the Syrian Arab Republic, Seventeenth session, June 14, 2011.

activists, and journalists, as well as reports of “acts of torture and other cruel and inhuman treatment” by Syrian security forces “against persons detained in connection with the demonstrations, resulting in deaths in custody in some cases.” Violations with regard to assembly, speech, food, and health also were noted. An OHCHR fact-finding mission has requested permission from Syrian authorities to visit Syria and as of mid-June had heard no response and had not been allowed to visit.<sup>40</sup>

## **Possible Trajectories: Where is Syria Heading?**

In recent months, many observers and foreign government officials have asserted that the regime’s crackdown is unsustainable over the long term. Yet, there is no real consensus about the timetable for the regime’s demise. Some suggest that as long as oil exports continue<sup>41</sup> and key security officials commanding regime protection units remain loyal, the government could hold out for many months if not years.<sup>42</sup> Others believe that high level defections, particularly from within the Alawite-dominated military and intelligence apparatuses, are inevitable, because Alawite elites will work to ensure their community’s primacy by abandoning the Asad family as their position becomes more untenable. Another possibility is that more distant members of the greater Asad family overthrow the ruling family, including President Bashar al Asad himself; his brother Maher, who commands several internal security units; and his sister Bushra and her husband Asef Shawkat, who also is a military official. According to one regional expert, decisions to support or oppose the uprising by military personnel, regime officials, and pro-government social groups are inherently personal and psychological. Should fluid events dictate changes in individuals’ calculations of their self-interest and the safety of their families, unexpected shifts in loyalty could occur without warning.<sup>43</sup>

The longer civil unrest lasts in Syria, the more the likelihood of sectarian clashes would seem to rise. Although the Syrian opposition has condemned sectarianism and has tried to portray itself as nationalist, as previously mentioned, the opposition is not strong enough to control all of its diverse members, and some more religious Sunni Muslims could begin to organize themselves into militias in order to combat irregular pro-government Alawite militias.<sup>44</sup> The latter have been accused of many human rights violations since demonstrations began five months ago.

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<sup>40</sup> “I regret to report that, despite several official communications requesting the Government of Syria to grant access to the Fact-Finding Mission, I have received no response from the Government. This lack of responsiveness severely hampers our work. Due to the impossibility to deploy to Syria, my team is gathering information from outside the country. Some of its members are now in southern Turkey, close to the border with Syria, which thousands of refugees have crossed. As the human rights situation on the ground continues to deteriorate, I take this opportunity to strongly urge the Syrian Government to cooperate with my Office.” Statement of United Nations High Commissioner for Human Rights Navi Pillay, Human Rights Council, Geneva, June 15, 2011.

<sup>41</sup> See, Economist Intelligence Unit, “Syria economy: Vulnerable?,” June 16th 2011.

<sup>42</sup> Nevertheless, the longer unrest continues, the more the economic situation is expected to deteriorate. The tourist industry already has suffered as well as the textile industry, which employs about 20 % of Syria’s labor force.

<sup>43</sup> CRS analyst participation in off-the-record experts’ discussion, Washington, DC, July 2011.

<sup>44</sup> Syrians call plain-clothes security agents, usually distinguishable by their black leather jackets, *shabbihah* (translated literally as “ghosts”). According to one report, the Shabbihah (alt. sp. Shabeehah) “pit communities against each other to create a fear that prompts citizens to turn to the government for stability. Although Shabeeha members are found across sectarian lines, most are from the Alawite community.” See, “Syrian ‘Shabeeha’ Thugs Are Assad’s Tool in Protest Crackdown, Groups Say,” *Bloomberg*, June 1, 2011.

### ***Possibility of a Military Coup?***

One major factor that could be decisive in determining how long the domestic crisis in Syria lasts is the role of the regular army. The Assad regime's deliberate opacity has shielded its inner workings from the outside, and some experts believe the possibility of a military coup by Sunni officers or an intra-Alawite split is remote.<sup>45</sup> According to Professor Andrew Terrill at the U.S. Army War College, the non-elite army units still have Alawite officers in key positions and the army is

very much under surveillance of the Syrian security forces, which are very, very efficient at what they do.... This is going to be nothing like Egypt where you had the army start to show an independent voice and start to tell the regime what to do.... The army and the Alawite leadership of the army is going to stand behind the Assad regime because they're scared to death of what's going to happen if Alawite control ends in Syria.<sup>46</sup>

In late May, opposition groups using social media appealed to the armed forces to launch a coup against the Assad regime, saying that they would dedicate protests to honor the "Guardians of the Nation," a reference to the army. Some unconfirmed reports suggest that regular army officers have been killed for refusing to fire on protestors and that the regime has relied exclusively on Alawite-dominated units, including the Fourth Division led by Maher al Assad. Other reports indicate that the Syrian military uses propaganda, conditioning, and internal security tactics to enforce discipline over soldiers ordered to use lethal force against civilians and that these measures have at times failed to prevent defections and internal clashes within the Syrian military.<sup>47</sup> In July, defecting soldiers retreated to the far eastern, mostly tribal town of Abu Kamal. In response, the military deployed soldiers to invade the town, though tribal negotiators brokered a cease-fire. According to one expert, "If a major general decides to defect he needs to know how many soldiers will obey his orders.... The army chiefs have too much to lose.... But once there is a very clear sign that the regime is getting close to the edge they will jump. They will want to salvage the situation."<sup>48</sup> The sectarian divisions within the Syrian military create potential overlap between changes in military loyalty and the likelihood of sectarian conflict.

Appearing in video footage on the Internet and on Al Jazeera, a group calling itself the Free Officers Movement, composed mostly of defecting officers of lower ranks, has vowed to defend demonstrators.<sup>49</sup>

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<sup>45</sup> According to one report, "The security service, thought to number at least 65,000 full-timers, has been responsible for most of the violence. Set up by Hafez Assad soon after his coup in 1970, its 15-odd branches fall under four main intelligence headings: general, political, military and air force. Only tenuously linked to any civilian institution, they are above the law and sign off on virtually all big decisions. Their heads report directly to Mr Assad. "They provide security for the regime, not for the state," explains a well-informed local. "They will never defect." They also spy on each other. On occasions during the current crackdown their members have arrested or shot people from rival branches. See, "Could the Assad regime fall apart?," *The Economist*, April 30, 2011.

<sup>46</sup> "Syria's Army is Loyal, but not Fail-Safe: Analysts," *Agence France Presse*, May 27, 2011.

<sup>47</sup> Open Source Center, "Syria -- Defector Accounts Point to Fissures in Military, Allege Iranian Involvement," July 27, 2011.

<sup>48</sup> Najib Ghabian in Ian Black, "Assad's enemies pin their hopes on the regular Syrian army," *The Guardian* (UK), June 15, 2011.

<sup>49</sup> Open Source Center, "Syria: Army Defectors Vow to Defend Demonstrators, Reach Out to Fellow Soldiers," *Al Jazeera*, August 3, 2011, GMP20110803647002.

### *A Regional Proxy War?*

A second-order concern to U.S. policymakers is the prospect of Syria becoming the locus of a new regional proxy war between Syria's ally Iran and Sunni Arab states such as Saudi Arabia and Jordan, with other neighbors, such as Turkey, Iraq, and Israel, intervening to secure their own national interests. The rise of a Sunni-led government in Damascus could upset regional perceptions of the sectarian balance of power and may have significant effects on sectarian dynamics in neighboring Lebanon. There is some fear that even non-state actors (such as Lebanon's Hezbollah or Salafist Lebanese Sunni militia) could intervene in the Syrian unrest. However, some reports suggest that Hezbollah has become unpopular in Syria due to its support of the regime.<sup>50</sup> In a May speech, Hezbollah leader Hassan Nasrallah encouraged Lebanese citizens to support Syria saying, "Bashar is serious about carrying out reforms but he has to do them gradually and in a responsible way; he should be given the chance to implement those reforms." Already, there have been unconfirmed reports of Iranian support to Syria, as referenced above (anti-riot gear, Internet jamming equipment, \$5.8 billion in emergency aid, and oil shipments), raising fears that Syria will become a forum for violence and regional competition like Lebanon during its 15-year civil war (1975 to 1990). According to one unnamed official, "There are 'very strong indications' that Iran is helping the Syrians crack down on protesters with advice on how to track or block their Internet use, training on how to put down demonstrations and the supply of riot control equipment."<sup>51</sup> After Syrian forces attacked several smaller, mostly Sunni Arab towns in the north-northwest, 15,000 residents fled to Turkey, though about 9,000 have since returned. Perhaps of greatest immediate concern to Israel is the safety and oversight of Syria's stockpile of chemical weapons.

### *Opportunity for the United States?*

On the other hand, the possibility of revolution in Syria may present opportunities for the United States, under some conditions. Few observers expect that a more democratic Syrian government would abandon long-standing nationalist goals of, for instance, seeking a return of the Golan Heights. However, if Syrian protestors somehow succeed in toppling the Asad regime in a peaceful manner, a more democratic Syria may seek to broaden its relationships with Western democracies and could choose to reduce its dependence on its current alliance with Iran. However, most experts believe that this scenario is a distant possibility and it depends on the ability of any Syrian protest movement to overthrow the Asad government without destabilizing the country and upsetting its ethnic/sectarian balance among Alawites, Christians, Sunni and Shi'a Muslim Arabs, and Kurds.

Despite fears of sectarian clashes, Syrian public dissatisfaction over economic inequality, corruption, and dictatorship is driving the protests. In this regard, what is happening in Syria is no different than what has already transpired in Egypt, Tunisia, and elsewhere. However, because the Asad regime is so entrenched domestically in the Alawite community and military and so entangled in various regional relationships/conflicts, the Syrian opposition has a long way to go before it can uproot the president and his family from power. Nevertheless, the government will not likely be able to address public grievances in any meaningful manner, which only leaves the use of repression to hold the state together.

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<sup>50</sup> "New Loyalties and Old Feuds Collide in Syria," *New York Times*, July 24, 2011.

<sup>51</sup> "Iran said to help Syria track protesters' Web use," *Reuters*, April 14, 2011.

To date, despite the heavy-handed actions of the security forces, Syria's elite have remained either supportive of the regime or quiescent. In an interview with the *New York Times*, the president's first cousin Rami Makhlouf boldly asserted that the regime would not fold to domestic or international pressure and threatened chaos should it be destabilized. According to Makhlouf,

If there is no stability here, there's no way there will be stability in Israel.... No way, and nobody can guarantee what will happen after, God forbid, anything happens to this regime.... What I'm saying is don't let us suffer, don't put a lot of pressure on the president, don't push Syria to do anything it is not happy to do.<sup>52</sup>

## **U.S. Sanctions**

The following section provides background on U.S. sanctions against Syria. It predates the nation-wide unrest that began in March 2011. For recent information on U.S. sanctions, please see, "U.S. Policy Toward Syria: Administration and Congressional Response"

### **Overview**

Syria remains a U.S.-designated State Sponsor of Terrorism and is therefore subject to a number of U.S. sanctions. Syria was placed on the State Department's State Sponsors of Terrorism List in 1979. Moreover, between 2003 and 2006 Congress passed legislation and President Bush issued new executive orders that expanded U.S. sanctions on Syria. At present, a variety of legislative provisions and executive directives prohibit U.S. aid to Syria and restrict bilateral trade.<sup>53</sup> Principal examples follow.

### **General Sanctions Applicable to Syria**

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

*The International Emergency Economic Powers Act of 1977* [Title II of P.L. 95-223 (codified at 50 U.S.C. §1701 et seq.)]. Under the International Emergency Economic Powers Act (IEEPA), the President has broad powers pursuant to a declaration of a national emergency with respect to a threat "which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States." These powers include the ability to seize foreign assets under U.S. jurisdiction, to prohibit any transactions in foreign exchange, to

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<sup>52</sup> "Syrian Elite to Fight Protests to 'the End'," *New York Times*, May 11, 2011.

<sup>53</sup> 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.



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 relettered 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, 2009*, issued on August 5, 2010. 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(j)]. The President was given authority to waive this provision under Section 601 of the Trade and Development Act of 2000 (P.L. 106-200, May 18, 2000).

*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 prescribes 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 about the Treasury Department’s implementing regulation, which he described as a “special loophole” for Syria.

In addition to the general sanctions listed above, specific provisions in foreign assistance appropriations legislation enacted since 1981 have barred Syria by name from receiving U.S. aid. The most recent ban appears in Section 7007 of P.L. 111-117, the Consolidated Appropriations Act, 2010, which states that “None of the funds appropriated or otherwise made available pursuant to titles III through VI of this Act shall be obligated or expended to finance directly any assistance or reparations for the governments of Cuba, North Korea, Iran, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.”

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. On October 13, 2006, President Bush signed P.L. 109-353 which expanded the scope of the original law by adding North Korea to its provisions, thereby renaming the law the Iran, North Korea, and Syria Nonproliferation Act (or INKSNA for short). The list of Syrian entities designated under INKSNA includes Army Supply Bureau (2008), Syrian Navy (2009), Syrian Air Force (2009), and Ministry of Defense (2008).<sup>54</sup> On May 24, 2011, the State Department designated the Industrial Establishment of Defense and Scientific Studies and Research Center (SSRC) under INKSNA.

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<sup>54</sup> See, State Department Press Releases And Documents “Near East: Iran, North Korea, and Syria Nonproliferation Act: Imposed Sanctions,” July 20, 2010.

## **Specific Sanctions Against Syria**

Specific U.S. sanctions levied against Syria fall into three main categories: (1) sanctions resulting from the passage of the 2003 Syria Accountability and Lebanese Sovereignty Act (SALSA) that, among other things, prohibit most U.S. exports to Syria; (2) sanctions imposed by executive order from the President that specifically deny certain Syrian citizens and entities access to the U.S. financial system due to their participation in proliferation of weapons of mass destruction, association with Al Qaeda, the Taliban, or Osama bin Laden; or destabilizing activities in Iraq and Lebanon; and (3) sanctions resulting from the USA Patriot Act levied specifically against the Commercial Bank of Syria in 2006.

### **The 2003 Syria Accountability Act**

On December 12, 2003, President Bush signed H.R. 1828, the Syria Accountability and Lebanese Sovereignty Restoration Act into law, as P.L. 108-175. This law 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, see above<sup>55</sup>) 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

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<sup>55</sup> Syria's inclusion on the State Sponsors of Terrorism List as well as SALSA requires the President to restrict the export of any items to Syria that appear on the U.S. Munitions List (weapons, ammunition) or Commerce Control List (dual-use items).

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, President Bush cited the waiver authority contained in Section 5(b) of the Syria Accountability Act and stated that he wished to issue 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.<sup>56</sup>

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.

### **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.<sup>57</sup> 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 (latest on April 29, 2011). 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.<sup>58</sup>

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<sup>56</sup> According to U.S. regulations, any product that contains more than 10% *de minimis* U.S.-origin content, regardless of where it is made, is not allowed to be exported to Syria. For U.S. commercial licensing prohibitions on exports and reexports to Syria, see 15 C.F.R. pt. 736 Supp No. 1. The Department of Commerce reviews license applications on a case-by-case basis for exports or reexports to Syria under a general policy of denial. For a description of items that do not require export licenses, see, Bureau of Industry and Security (BIS), U.S. Department of Commerce, Implementation of the Syria Accountability Act, available online at [http://www.bis.doc.gov/licensing/syriaimplementationmay14\\_04.htm](http://www.bis.doc.gov/licensing/syriaimplementationmay14_04.htm).

<sup>57</sup> 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 reexportation 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, P.L. 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>.

<sup>58</sup> The President last extended the State of Emergency on April 29, 2011.

The following individuals and entities have been targeted by the U.S. Treasury Department (Office of Foreign Assets Control or OFAC):

- 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.<sup>59</sup> 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 April 26, 2006, President Bush issued Executive Order 13399 that authorized the secretary of the Treasury to freeze the U.S.-based assets of anyone found to be involved in the February 2005 assassination of former Lebanese Prime Minister Rafiq Hariri. It also affects anyone involved in bombings or assassinations in Lebanon since October 2004, or anyone hindering the international investigation into the Hariri assassination. The order allows the United States to comply with UNSCR 1636, which calls on all states to freeze the assets of those persons designated by the investigating commission or the government of Lebanon to be involved in the Hariri assassination.
- 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.<sup>60</sup>
- 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.<sup>61</sup>

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<sup>59</sup> See, <http://www.treas.gov/press/releases/js2617.htm>.

<sup>60</sup> See, <http://www.treas.gov/press/releases/hp60.htm>.

<sup>61</sup> See, <http://www.treas.gov/press/releases/hp216.htm>.

- On August 1, 2007, the President issued E.O. 13441<sup>62</sup> 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.13338).<sup>63</sup>
- 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."<sup>64</sup> 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."<sup>65</sup> Makhluף is a major stakeholder in Syriatel, the country's largest mobile phone operator. In 2008, the Turkish company Turkcell was in talks to purchase Syriatel, but, according to *Reuters*, negotiations over the sale were taking longer than expected because some Turkcell executives have U.S. passports.<sup>66</sup> Then, in August 2008, Turkcell said it had frozen its plans for a venture in Syria amid U.S. opposition to the project. Makhluף'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. Makhluף also is a minority shareholder in Gulfsands Petroleum,<sup>67</sup> a publicly traded, United Kingdom-incorporated energy company. According to the *Wall Street Journal*, a Gulfsands executive said the Treasury Department's

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<sup>62</sup> On July 29, 2010, President Obama extended that National Emergency with respect to Lebanon for another year, stating that "While there have been some recent positive developments in the Syrian-Lebanese relationship, continuing arms transfers to Hizballah that include increasingly sophisticated weapons systems serve to undermine Lebanese sovereignty, contribute to political and economic instability in Lebanon, and continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States." See, Notice of July 29, 2010—Continuation of the National Emergency With Respect to the Actions of Certain Persons to Undermine the Sovereignty of Lebanon or Its Democratic Processes and Institutions, Federal Register, Title 3—The President, [Page 45045].

<sup>63</sup> See, <http://www.treas.gov/press/releases/hp666.htm>.

<sup>64</sup> 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.

<sup>65</sup> "Sanctions on Businessman Target Syria's Inner Sanctum," *Washington Post*, February 22, 2008.

<sup>66</sup> "Turkcell Continues Talks on Syriatel Stake," *Reuters*, April 14, 2008.

<sup>67</sup> Gulfsands' chief executive and largest shareholder, John Dorrier, is an American citizen, and the company has offices in Houston.

sanctioning of Makhoul would have no impact on the company pursuing its partnership with Cham.<sup>68</sup>

## **Sanctions Against the Commercial Bank of Syria**

As previously mentioned, under Section 311 of the USA PATRIOT Act, President Bush instructed the Treasury Department in 2004 to prepare a rule requiring U.S. financial institutions to sever correspondent accounts with the Commercial Bank of Syria because of money laundering concerns. In 2006, the Treasury Department issued a final ruling that imposes a special measure against the Commercial Bank of Syria as a financial institution of primary money laundering concern. It bars U.S. banks and their overseas subsidiaries from maintaining a correspondent account with the Commercial Bank of Syria, and it also requires banks to conduct due diligence that ensures the Commercial Bank of Syria is not circumventing sanctions through its business dealings with them.<sup>69</sup>

## **Effect of U.S. Sanctions on Syria's Economy**

U.S. sanctions against Syria have clearly dissuaded some U.S. and some foreign businesses from investing in Syria. With the exception of certain specified goods, most U.S. exports to Syria are prohibited, a policy that has prevented the country's national air carrier, Syrian Air, both from repairing the few Boeing planes in its fleet and from procuring new planes from Europe, since Airbus uses certain American content in its planes. In a possible early good-will gesture, on February 9, 2009, the U.S. Department of Commerce approved an export license for Boeing 747 spare parts<sup>70</sup> to Syrian Air.<sup>71</sup> In July 2009, the Obama Administration pledged to grant more waivers under the Syria Accountability Act to allow for increased U.S. export to Syria of goods related to information technology, telecommunication equipment, and civil aviation components. However, in December 2009, the United States rejected an Airbus request to sell new planes to Syria because the average Airbus plane contains an estimated 40% component parts of U.S. origin—thus making it illegal to export to Syria without an export license under the Department of Commerce's Export Administration Regulations (EAR) implementing provisions in the Syria Accountability and Lebanese Sovereignty Restoration Act (P.L. 108-175).<sup>72</sup> In October 2010, Syria's transport minister suggested that due to U.S. sanctions, Syria would consider buying six Russian Tupolev Tu-204 planes for Syrian Air.

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<sup>68</sup> "Syrian Tycoon Bristles At US Sanctions Against Him," the *Wall Street Journal*, March 26, 2008.

<sup>69</sup> See, "U.S. Trade and Financial Sanctions Against Syria." Available online at: <http://damascus.usembassy.gov/sanctions-syr.html>

<sup>70</sup> In 2008, Syrian Air and European aerospace manufacturer Airbus tentatively agreed to a sale of up to 54 commercial aircraft; however, the sale was never completed because Airbus planes contain more than 10% U.S. components.

<sup>71</sup> Executive Order 13338, which implements the Syria Accountability Act, states that the Secretary of Commerce shall not permit the exportation or reexportation to Syria of U.S. products "except to the extent provided in regulations, orders, directives, or licenses issued pursuant to the provisions" of the order. U.S. Department of Commerce Bureau of Industry and Security regulations [Code of Federal Regulations, Title 15, Chapter VII, Part 742.9(b)] state U.S. export licensing policy with regard to Syria. According to the BIS regulations, "applications for export and reexport to all end-users in Syria ... will generally be denied," including licenses for aircraft, helicopters, engines, and related spare parts and components, "except that parts and components intended to ensure the safety of civil aviation and the safe operation of commercial passenger aircraft will be reviewed on a case-by-case basis, with a presumption of approval."

<sup>72</sup> "US prohibited Airbus selling planes to Syria: Damascus," *Agence France Presse*, December 29, 2009.

According to one report, General Electric, the French power company Alstom, and Japanese-owned Mitsubishi all declined to bid on a Syrian government contract for the construction of power plants.<sup>73</sup> As mentioned above, Turkcell withdrew its bid to purchase Syriatel in August 2008 after the United States sanctioned Syriatel’s primary stakeholder, Rami Makluf. U.S. sanctions under the Patriot Act against the Commercial Bank of Syria have deterred private Western banks from opening branches inside Syria. As Syria’s energy production levels decline, sanctions have prevented major Western energy companies from making new investments there, though other foreign companies have supplanted U.S. firms. One company, Gulfsands Petroleum, moved its principle office to London in order to circumvent U.S. sanctions against its local partner, Rami Makluf.

Syria is still an importer of U.S. agricultural products such as corn and soybeans. According to the U.S. embassy in Damascus, the United States is Syria’s primary corn supplier, and corn sales from the United States to Syria increased from \$61 million in 2001 to \$102 million in 2005. Soybean exports also increased from approximately \$1 million in 2001 to \$28 million in 2005. For the last five years, eastern Syria has experienced a severe drought which has wiped out significant portions of the livestock industry and curtailed wheat farming. Syria used to export wheat, and it is now a net importer, mainly from Russia and the Ukraine.

Although U.S. sanctions have deterred American and some foreign investment in Syria, other countries have sought entry into the Syrian market.<sup>74</sup> Foreign investment from the Arab Gulf States and Iran has been substantial in recent years. Syria’s largest trading partners within the Middle East are Saudi Arabia (\$1.9 billion), Egypt (\$1 billion), Lebanon (\$600 million), and Jordan (\$560 million). Syria’s primary non-Arab trading partners are Italy (\$3.5 billion total volume), France (\$1.2 billion), China (\$1.1 billion), and Turkey (\$1.1 billion).<sup>75</sup>

**Table I. U.S.-Syrian Trade Statistics 2005-2010**

(\$ in millions)

	2005	2006	2007	2008	2009	2010
U.S. Exports to Syria	\$155.0	\$224.3	\$361.4	\$408.8	\$300.0	\$506.2
U.S. Imports from Syria	\$323.5	\$213.7	\$110.5	\$352.0	\$285.9	\$428.7
<b>Totals</b>	<b>\$478.5</b>	<b>\$438.0</b>	<b>\$471.9</b>	<b>\$760.8</b>	<b>\$585.9</b>	<b>\$934.9</b>

**Source:** TradeStats Express – National Trade Data, Presented by the Office of Trade and Industry Information (OTII), Manufacturing and Services, International Trade Administration, U.S. Department of Commerce.

### *Syria’s Need for Economic Growth*

Syria is seeking aid, trade, and foreign investment from the international community, particularly the West, to boost its lackluster, mostly state-controlled economy, which is highly dependent on

<sup>73</sup> “Tired of Energy Ills, Syrians Doubt the West Is to Blame,” *New York Times*, August 15, 2007.

<sup>74</sup> According to one study by the German Marshall Fund, “From 2000 to 2009, the stock of FDI [foreign direct investment] in Syria witnessed a sharp increase from \$1.244 billion to \$7.334 billion. Specifically, in the 2007-2009 period alone, the stock has increased by more than \$4 billion.” See, Franco Zallio, “The Future of Syria’s Economic Reforms between Regional Integration and Relations with the West,” Mediterranean Policy Program—*Series on the Region and the Economic Crisis*, German Marshall Fund, November 2010.

<sup>75</sup> U.S. Department of Commerce, *Doing Business in Syria: 2009 Country Commercial Guide for U.S. Companies*.



dwindling oil production<sup>76</sup> and foreign remittances.<sup>77</sup> To date, the government has enacted some reforms, such as liberalizing the financial sector, reducing fuel subsidies, opening a stock exchange, and cutting some import tariffs. Nevertheless, President Asad has yet to tackle the most difficult reforms, such as reducing the government payroll, combating elite corruption such as fuel smuggling, liberalizing other sectors of the economy and breaking up family-run business monopolies, halting tax evasion, modernizing the bureaucracy, and increasing overall economic transparency. Some observers believe that the regime cannot act boldly in the economic sphere due to the political backlash and possible unrest it would face from many different parts of Syrian society. Economic reforms may clash with the vested, status quo interests of Syrian business and political elites with ties to the Asad family. Others suggest that the opaque nature of Syria's authoritarian government inhibits the natural development of a transparent market economy that is attractive to foreign capital.

Although Syria has attracted more foreign investment from China, Gulf Arab countries, Iran, and Turkey, Syria also is responsible for the lack of strong economic ties to the West. After years of stalled negotiations, the European Union finally ratified its Association Agreement with Syria in 2009, only to see Syria refuse to sign the accord at the last minute. The deal, which would loosen bilateral trade restrictions and increase the flow of European aid to Syria, raised concern among Syrian business elites due to increased European competition in the agricultural and manufacturing sectors.

## **Author Contact Information**

Jeremy M. Sharp  
Specialist in Middle Eastern Affairs  
jsharp@crs.loc.gov, 7-8687

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<sup>76</sup> According to the Department of Energy's Energy Information Administration, "Since peaking at 583,000 barrels per day (bbl/d) in 1996, Syrian crude oil production declined." Syria produced an estimated 387,000 bbl/d in January 2011, down from 390,000 bbl/d in 2008." U.S. Energy Information Administration, *International Energy Statistics*, April 28, 2011.

<sup>77</sup> Syria needs electric power generation, as its demand is projected to nearly triple by 2025. Already, during the summer months, some Syrians experience lengthy power outages. Companies from Russia, China, India, Qatar, and Iran, among others, have invested in Syria's electricity sector. Syria also receives natural gas from Egypt and Turkey. See, "Damascus Turns to Private Sector," *Middle East Economic Digest*, May 14, 2010.