

The United States Must Re-Designate the Houthis as Terrorists

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After a spate of recent Houthi attacks on Israel, commercial shipping, and U.S. naval vessels, the Biden administration announced on November 21 that it is considering re-adding the Iran-backed group—also known as Ansar Allah—to the U.S. lists of Foreign Terrorist Organizations (FTO) and Specially Designated Global Terrorist (SDGT). The administration had previously de-listed the group in February 2021.

Given that the Houthis continue to act violently across the Middle East, acknowledging that they are a terrorist group is a necessary and important step. Re-designating the Houthis would enable greater U.S. asset freezes and seizures of Iran-linked funds, and authorize the United States to impose greater restrictions on the funds and movements of Houthi backers across the globe. Re-designating the Houthis would also provide a key symbolic step of resolve against Iran and its proxies after the manifest failure of a conciliatory U.S. approach, and would display solidarity with U.S. partners in the Middle East who have sustained hundreds of Houthi projectile attacks over the past several years.

What Happened?

- On November 21, White House National Security Council spokesperson John Kirby said that the United States "has begun a review of potential terrorist designations" after the Houthis seized a commercial vessel in the Red Sea.
 - » The Biden administration previously <u>de-listed</u> the Houthis as a Foreign Terrorist Organization (FTO) and Specially Designated Global Terrorist (SDGT) entity under EO 13224 in February 2021, citing the designation's purported obstruction of humanitarian aid to Yemen.
- Since the Israel-Hamas war began, the Iran-backed Houthis—also known as Ansar Allah—have targeted U.S. naval assets in the region at least five times and attacked Israel with drones or missiles at least seven times, according to JINSA's projectile tracker.

- » These incidents included:
 - On December 3, the Houthis launched four ballistic missiles and a drone at three commercial vessels in the Red Sea, and launched a drone at the USS Carney as it responded to the incident. The three commercial vessels were struck by the missiles, causing property damage.
 - On November 28, a Houthi drone launched from Yemen flew directly at a U.S. warship, the USS Carney, in the Red Sea and was shot down as it approached the ship.
 - On November 26, two ballistic missiles were <u>fired</u> from Houthi-controlled territory in Yemen and landed within ten miles of a U.S. warship, the USS Mason.
 - On November 15, the USS *Thomas Hudner*, a U.S. warship, shot down an Iranian drone launched from Houthi-controlled areas in Yemen as it flew towards the warship in the Red Sea.
 - On October 15, the Houthis <u>launched</u> five cruise missiles and thirty <u>drones</u> towards southern Israel, which are intercepted by a U.S. guided missile destroyer in the Red Sea.
- On November 19, the Houthis <u>seized</u> the Bahamian-flagged and Japanese-operated Galaxy Leader, a commercial vessel partially owned by an Israeli businessmen, and its crew of 25 in international waters in the Red Sea. The ship and crew remain in Houthi captivity.
- On November 16, the International Maritime Security Construct issued a notice that it assessed a "heightened threat level" for ships traveling through the Red Sea and urged ships going through the Red Sea to travel "the maximum feasible distance from Yemeni waters."

Why Is It Important?

- The recent wave of Houthi attacks on U.S. partners in the Middle East as well as international shipping underscores the urgent necessity of deterring the Houthis and stemming the ongoing attacks. Re-designating the Houthis as an FTO would allow the U.S. government to freeze assets linked to the Houthis and its backers in Tehran and restrict their entry into the United States. It would also represent a unified stance with U.S. partners who have been subjected to repeated, at-times lethal Houthi projectile attacks in recent years. Doing so would also serve as a gesture of U.S. resolve to begin reversing its conciliatory approach to Iran, evidenced in measures such as its initial de-listing of the Houthis in February 2021, given the mounting evidence of the futility of its conciliatory approach.
- The Houthis qualify for all three criteria <u>specified</u> under section 219 of the Immigration and Nationality Act for an FTO designation, namely that the entity be a foreign organization, engage in terrorism and retain the capability and intent to do so, and threatens the national security of the United States or the security of U.S. nationals.

- » Continued Houthi attacks on U.S. partners—such as the group's seven drone and missile attacks on Israel since the war began or its fatal attack on Saudi Arabia in September—threaten to injure or kill U.S. nationals in countries across the region.
 - Houthi attacks have directly targeted U.S. personnel, such as the group's January 2022 thwarted missile attack on Al Dhafra Air Base in the United Arab Emirates, where roughly 2,000 Americans are stationed.
 - An estimated 50,000 U.S. nationals live in the United Arab Emirates and another estimated 30,000 U.S. nationals live in Saudi Arabia.
- » These attacks also risk greater threats to U.S. national security by threatening to expand the conflict further and embroiling the United States in a regional conflagration.
- Both the FTO and SDGT designations are important components of the U.S. national security toolbox, and would enable the U.S. government to undertake important measures such as asset freezes on travel restrictions on not only the Houthis, but its backers as well.
 - » Re-designating the Houthis as an FTO would <u>confer</u> the United States three primary tools to counteract the Houthis and its lethal terror campaign, including:
 - Making it illegal for Americans or anyone in the United States to provide material support to the Houthis;
 - Denying any member of the group entry to the United States; and
 - Requiring U.S. financial institutions to freeze Houthi assets.
 - » Re-designating the Houthis as an SDGT entity would enable the Treasury Department to freeze any U.S.-held assets of the group and its backers, and also restrict Houthi backers' access to U.S. financial institutions and markets.
 - » Demonstrating the powerful asset of FTO and SDGT designations in counteracting terror financing and money laundering, the United States announced in 2019 that it had blocked nearly \$12 million of transactions connected to Hezbollah activity that year.
 - » A 2020 U.S. military study of FTO designations found that, on average, designating a group as an FTO dramatically <u>decreases</u> the number of terrorist attacks the group launches and nearly halves the number of fatalities the group inflicts in the years following a designation.
- In addition to the material benefits conferred by a re-designation, it would also have the symbolic effect of delegitimating the Houthis and signaling greater U.S. resolve, helping to re-establish the deterrence it lost after de-listing the group in February 2021.
 - » Houthi munitions attacks across the Middle East increased by roughly 80 percent between February 2021 and April 2022, as JINSA has previously noted.

- Though the Biden administration initially justified removing the Houthis from the FTO list due to concerns about effects on humanitarian aid being delivered to needy Yemenis, the notion that designating the Houthis as an FTO would impede aid efforts is false.
 - » The Houthis have continuously impeded aid efforts and exacerbated the humanitarian situation in Yemen through its terrorist activity. In fact, doctors and aid workers have continuously had to work around, rather than through, the Houthis and have operated successfully in spite of their efforts to worsen the conflict.
 - » Under 18 U.S.C. § 2339A(b)(1), an FTO designation does not apply to entities or individuals providing medicine to the group itself, meaning that even aid workers disseminating medical supplies to the Houthis themselves would not violate U.S. law.
 - » Even if the Houthis—despite the extensive evidence to the contrary—did in fact help facilitate aid flows, the United States has sanctioned terrorist entities without impeding humanitarian aid flows to combat zones numerous times in recent history. The U.S. Treasury can issue a General License exempting humanitarian organizations from sanctions on commodities like food, as it did in Afghanistan.
 - Under the Trump administration's short-lived designation of the Houthis in January 2021, the United States said that the U.S. Treasury would issue General Licenses to any aid or medical organization that would be impacted by the designation.
- Given the ongoing threat the Houthis pose to global commerce and U.S. partners in the region, re-designating the Houthis is a strategic imperative.
 - » As the recent International Maritime Security Construct notice underscores, the Houthis actively threaten global shipping around some of the world's most <u>critical</u> trade arteries, including the Strait of Hormuz, through which roughly 20 percent of global petroleum exports, over 30 percent of global natural gas exports, and many U.S. and partner naval vessels pass.
 - JINSA Distinguished Fellow Major General (ret.) Amikam Norkin, former commander of the Israeli Air Force, said on November 30 that as a result of Houthi attacks on ships, "some of the companies have decided that they might navigate around Africa, and by that, the schedule of these ships is going to be delayed for a month, and [prices] are going higher."
 - Commercial vessels circumnavigating Africa, rather than going through the Red Sea or Arabian Gulf, would impose dramatic costs on shipping companies as well as consumers globally.
 - » Re-designating the Houthis would also bolster partner and ally confidence in the United States, after over a thousand Houthis projectile attacks—including several fatal ones—on Saudi Arabia and a handful against the United Arab Emirates in the past few years.
 - Between 2015 and 2022, the Houthis <u>launched</u> nearly 1,000 missile attacks on Saudi Arabia and approximately 350 drones strikes against Saudi Arabia.

- As JINSA has previously noted, the Houthis launched over 650 projectile attacks against Saudi Arabia—when the United States removed the Houthis from its FTO and SDGT lists—between February 2021 and March 2022.
- » Re-designating the Houthis would be an important display of U.S. resolve against Iran, the Houthis' primary benefactor, and demonstrate greater U.S. willingness to target Iran's interconnected web of regional proxies on multiple fronts. The ongoing Israel-Hamas war underscores the importance of the United States using sanctions to confront the entirety of Iran's proxy web, rather than focusing on sanctioning Hamas alone.
 - The Houthis have received funding, arms, training, and instructions from Iran since 2010 and are an important piece of Iran's strategy to create a "ring of fire" encircling U.S. forces and Israeli and Arab partners in the region.
 - The Houthis' persistent attacks on Israel and support for Hamas in the current war have gone unchecked thus far. The Houthis announced on November 20 they raised over \$5.5 million—including reportedly through forced seizures of women's jewelry and other valuables—to "support Gaza," likely referring to funding ongoing Houthi attacks on Israel and U.S. assets and partners in the region.
 - Hamas official Moaz Abu Shamalah said on November 20 that Hamas welcomed the Houthi attacks on Israel, and encouraged the Houthis to sever Israel's "commercial and military artery" in the Red Sea through further attacks.
- Congressional attention to the issue has increased in recent weeks, with seven members of Congress recently introducing the Standing Against Houthi Aggression Act, which calls on the U.S. government to re-designate the Houthis as an FTO.

What Should the United States Do Next?

- The United States should designate the Houthis as an FTO pursuant to section 219 of the Immigration and Nationality Act and as a SDGT entity pursuant to Executive Order 13224.
- Due to the intertwined nature of Iran's global proxy networks, the United States should not remove Iranian proxies from its lists of FTOs and SDGT entities going forward.
 - » Doing so jeopardizes U.S. efforts to combat the global Iranian proxy network as a whole and undermines deterrence against Iran, and, given the fungibility of deterrence, other U.S. adversaries.



The Houthis Remain a Foreign Terrorist Organization

The Biden administration announced on November 21 that it is considering re-adding the Houthis to the U.S. list of Foreign Terrorist Organizations (FTO), after it de-listed the group in February 2021. The Houthis, also known as Ansar Allah, should be re-designated as an FTO as it meets the criteria for an FTO designation under U.S. law.[1]

What makes the Houthis an FTO?

Is it a foreign organization?



 The Houthis are based in Yemen, and control large portions of Yemeni territory, including by <u>some estimates</u> as much as 25 percent. The group has received <u>funding</u>, <u>arms</u>, <u>training</u>, and <u>instructions</u> from Iran <u>since 2010</u>.

Is it an organization that engages in terrorist activities² or terrorism³ and retains the capability and intent to do so?



- The Houthis' capabilities to launch terrorist attacks have been on full display in its recent attacks on U.S. forces and partners—including at least seven Houthilinked attacks on Israel and at least five Houthi-linked attacks on U.S. military assets in the Middle East.
 - » 12/03/2023: The Houthis <u>launch</u> four ballistic missiles and a drone at three commercial vessels in the Red Sea, and launched a drone at the USS *Carney* as it responded to the incident. The three commercial vessels were struck by the missiles, causing property damage.
 - » 11/29/2023: A Houthi drone launched from Yemen <u>flies</u> directly at a U.S. warship, the USS *Carney*, in the Red Sea and was shot down as it approached the ship.
 - » **11/26/2023:** The Houthis <u>fire</u> two ballistic missiles which land within ten miles of a U.S. warship in the Red Sea, the USS *Mason*.
 - » 11/22/2023: The Houthis <u>fire</u> a cruise missile at Israel, which Israel intercepts over the Red Sea. The attack marks the seventh such attack the Houthis launched against Israel since the war began.
 - » **11/19/2023:** The Houthis <u>seize</u> a Bahamian-flagged and Japanese-operated ship, the *Galaxy Leader*, in international waters in the Red Sea. The group continues to hold the ship and its 25 crew members hostage as of publication.
 - » 11/15/2023: The USS Thomas Hudner, a U.S. Navy warship, shoots down a drone from Yemen flying towards the warship in the Red Sea. The drone is strongly believed to be launched by the Houthis.
 - » **11/08/2023:** The Houthis <u>shoot down</u> a U.S. military MQ-9 drone off the coast of Yemen. The MQ-9 is a vital asset for U.S. intelligence collection which <u>costs</u> approximately \$32 million per unit.

- » 10/19/2023: The Houthis <u>launch</u> five cruise missiles and thirty <u>drones</u> towards Israel, which are intercepted by a U.S. guided missile destroyer in the Red Sea.
- » **09/25/2023:** The Houthis <u>kill</u> four Bahraini servicemen in a drone attack on a coalition base in Saudi Arabia.
- The Houthis' intention to launch perpetual attacks on the United States and U.S. partners in the region is well-documented in the group's own statements.
 - » The Houthis' official <u>slogan</u>, frequently chanted at rallies, is "God is the greatest, death to America, death to Israel. Curse the Jews, victory to Islam."
 - » After seizing the *Galaxy Leader*, the Houthis' political bureau <u>stated</u> on November 21 that the group seeks "the demise of Israel" and has "many options" to attack Israel.

Is it an organization whose terrorist activities threaten the national security of the United States or the security of U.S. nationals?



- Houthi attacks have directly <u>targeted</u> U.S. personnel, such as the group's January 2022 thwarted missile attack on Al Dhafra Air Base in the United Arab Emirates, where roughly 2,000 Americans are stationed.
- Continued Houthi attacks on U.S. partners—such as the group's seven drone and missile attacks on Israel since the war began or its fatal attack on Saudi Arabia in September—threaten to injure or kill U.S. nationals in countries across the region.

Have the circumstances permitting the de-listing changed sufficiently to warrant a re-designation?



- The Biden administration's <u>justification</u> for de-listing the group in February 2021, that the designation impeded humanitarian efforts in the midst of the Yemeni Civil War—even given the dubiousness of this claim—no longer applies.
 - » The administration <u>said</u> at the time that the Houthis being listed as a foreign terrorist organization "could have a devastating impact on Yemenis' access to basic commodities like food and fuel" in light of "the dire humanitarian situation in Yemen" due to the Yemeni Civil War.
 - » Conflict in Yemen has generally <u>subsided</u> in 2023 due to a ceasefire between the warring parties. The United Nations <u>said</u> in September that 211 humanitarian organizations were operating in Yemen and delivering aid to an average of 8.7 million Yemenis a month.
 - » Moreover, the administration's claims elide over the fact that the Houthis obstructed humanitarian efforts throughout the war, irrespective of its designation status.
- 1. As defined by §1189(a) of Title 8 of the Immigration and Nationality Act.
- 2. As defined by §1182(a)(3)(B) of Title 8 of the Immigration and Nationality Act.
- 3. As defined by §2656f(d)(2) of Title 22 of the Immigration and Nationality Act.

