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Yemen: Terrorism Designation, U.S. Policy, and Congress

On January 22, 2025, President Donald Trump issued an executive order (EO) initiating a process for the redesignation of the Yemeni Shia Islamist group *Ansar Allah* (Arabic for "the Partisans of God"), commonly referred to as the Houthis, as a Foreign Terrorist Organization (FTO). An FTO designation authorizes the Secretary of the Treasury to impose asset freezing sanctions on the organization and triggers the application of 18 U.S.C. §3229B, which criminalizes the provision of material support to designated FTOs. The order further outlines a process requiring a review of some U.S. assistance programs in Yemen and directs the termination "as appropriate" of certain projects, grants, and contracts with entities found to have made payments to Houthi entities or insufficiently documented Houthi abuses (see below). The Houthis have controlled most of northern Yemen since 2015. Prior U.S. sanctions policy provided some exceptions for transactions in Yemen.

Houthi attacks since October 2023 have disrupted regional security and global maritime commerce. The group receives material support from Iran and Russia and has attacked Israel, U.S. vessels, and (before October 2023) Saudi Arabia and the United Arab Emirates (UAE). The EO and statement say that U.S. policy is to cooperate with regional partners to "eliminate" Houthi capabilities and operations, as well as to deprive the Houthis of resources. It does not specify additional actions, resources, or authorities that may be used to achieve those ends.

President Trump previously designated the group as both an FTO and an entity subject to sanctions under the "Specially Designated Global Terrorist" (SDGT) program in January 2021. President Biden revoked both designations, citing concerns that they could impede the delivery of humanitarian assistance or jeopardize efforts to promote dialogue aimed at establishing ceasefire in the war in Yemen. In February 2024, the Biden Administration reimposed sanctions on the Houthis as an SDGT, citing "unprecedented attacks against international maritime vessels in the Red Sea and Gulf of Aden."

Congress and Yemen. Since 2015, Congress has considered the effects of conflict and sanctions on regional security and humanitarian conditions in Yemen. Congress has provided resources and authorities to support U.S. policy, including providing additional defense funding in 2024 to support U.S. regional deterrence operations. Since the 117th Congress, some Members have called on the executive branch to designate the Houthis as an FTO and have introduced legislation to do so. The Trump Administration has not said whether it intends to request additional funds or authorities from Congress in support of its wider Yemen policy.

The 119th Congress may seek additional information from the Administration concerning its policy toward Yemen and the Houthis, its expectations about the reactions and intentions of Yemeni and other international actors, its projections of the benefits and costs of different options, and its plans with regard to U.S. humanitarian assistance in Yemen. Congress may consider opportunities to influence U.S. policy toward Yemen, including via authorization and appropriations legislation, with regard to U.S. sanctions, diplomacy, assistance programs, and military operations.

Policy Context

Political-Military Developments. More than 100 Houthi attacks on Israel and on international shipping and U.S. and partner naval vessels in the Red Sea region have occurred from October 2023 to January 2025, with the Houthis claiming their attacks were intended to support Palestinians and secure an end to Israeli operations against the Palestinian Sunni Islamist group and U.S.-designated FTO Hamas. In January 2025, Yemen's representative to the United Nations (UN) rejected Houthi justifications.

Yemen's internationally recognized government has welcomed the Trump Administration's announced intention to redesignate the Houthis as an FTO. Leaders of Yemen's Southern Transitional Council (STC) also welcomed the U.S. decision and reiterated a call for joint international-Yemeni military operations to counter the Houthis and reduce the area under their control. The STC has received military aid from the UAE and seeks to reestablish southern Yemen as a separate state, which it was prior to 1990.

In a September 2024 report, the United Nations panel of experts on Yemen described "the transformation of the Houthis from a localized armed group with limited capabilities to a powerful military organization, extending their operational capabilities well beyond the territories under their control." The panel attributed the Houthis' evolution to "unprecedented" transfers of material support from Iran, Lebanese Hezbollah, and Iraqi armed groups.

U.S. officials have condemned Houthi attacks and the Houthis' detention of Yemenis with ties to UN or U.S. government entities and aid organization. U.S. sanctions have been levied against additional Houthi operatives and supporters. U.S. military strikes have targeted Houthi weapons and related facilities in Houthi-controlled areas of Yemen since January 2024, including a January 8, 2025 strike targeting two underground storage facilities.

Israel has responded to deadly Houthi attacks on its territory with several strikes in Yemen, including December 2024 and January 2025 strikes targeting Houthi-controlled ports and a power station and the international airport in Sana'a. Israeli officials have said they will continue to act against the Houthis in response to attacks on Israel and have threatened to target the Houthis' leadership.

On January 19, 2025, the Houthis stated their intent to halt their "sanctions" (i.e., attacks) against ships associated with the United States and the United Kingdom following the start of an announced Israel-Hamas ceasefire, and said "sanctions" against Israeli-affiliated ships "will be stopped upon the full implementation of all phases" of the ceasefire. On January 22, the Houthis released the crew of a vessel reportedly owned by Israeli businessmen that the Houthis had seized in November 2023. The State Department welcomed their release but called it "insufficient" and said "The Houthis must permanently cease all attacks in the Red Sea and surrounding waterways without exception and immediately release all of the hundreds of detainees."

In remarks before the UN Security Council on January 15, 2025, UN Special Envoy for Yemen Hans Grundberg noted there has been "some escalation along several front lines" in Yemen's internal conflict, warned of the consequences of an "escalating cycle of strikes and counterstrikes," and argued that "any further escalation risks undermining existing commitments and would have devastating humanitarian consequences for the people of Yemen."

Humanitarian Assistance. The conflict in Yemen and crisis in the Red Sea region contribute to what the United Nations officials describe as a severe and worsening humanitarian crisis, with an estimated 19.5 million people in Yemen—more than half the country's population—in need of humanitarian and protection assistance. In January 2025, the annual UN funding appeal for Yemen totaled $2.47 billion to provide life-saving assistance to 10.5 million of those most vulnerable. UN estimates suggest that acute food insecurity affects almost half of the country's population. The UN also assesses that "Yemen relies on imports for more than two-thirds of the food supplies and some 90 percent of all medicine and medical supplies." U.S.-supported programs provide both in-kind and market-based food assistance in Yemen.

In June 2024, the Famine Early Warning Systems Network (FEWS NET) reported that disruptions to imports and food price increases may worsen food insecurity in Yemen, with impacts dependent on the viability and cost of alternative import arrangements. Terrorism designations or conflict could affect commercial trade and humanitarian operations in Yemen, with lasting impacts on its population.

In terms of humanitarian access, as of January 2025, the Houthis control all northern ports, where most humanitarian relief items enter the country. UN Security Council-backed arrangements call for the ports' demilitarization. Some aid providers and observers have raised concerns about Houthi diversion of aid and Houthi bureaucratic obstacles. UN officials assess the Israeli attacks have "damaged critical civilian infrastructure," and that infrastructure damage "affects the ability to unload humanitarian aid."

Policy Considerations

The January 2025 EO does not immediately designate Ansar Allah as an FTO, but indicates that within 45 days, the Trump Administration intends to take such an action. Specifically, the EO directs the Secretary of State, in consultation with the Director of National Intelligence and Secretary of the Treasury, to submit a report to the President within 30 days on the Houthis' redesignation and "to take all appropriate action, consistent with 8 U.S.C. §1189," within 15 days of submitting the report.

Section 3(d) of the EO further requires 1) a joint review of USAID partners in Yemen among UN entities, nongovernmental organizations (NGOs), and contractors, and 2) the termination "as appropriate" of U.S. projects, grants, or contracts with entities that have made payments to Ansar Allah or affiliates, or that have "criticized international efforts to counter Ansar Allah while failing to document Ansar Allah's abuses sufficiently."

The United States has provided development assistance in Yemen and was the second largest donor to the UN's 2024 humanitarian funding appeal for Yemen, which was less than 50% funded. As of June 2024, the United States had obligated or committed $219.7 million in FY2024 for in-kind and market-based humanitarian assistance in Yemen, though not all funding was allocated under the UN appeal.

"Material Support" Risks, Commercial Transactions with Yemen, and Humanitarian Assistance

Under 18 U.S.C. §2339B, enacted in the Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA), persons may face civil and criminal penalties if they knowingly provide "material support or resources" to an FTO. These penalties are in addition to those associated with violations of U.S. sanctions laws and regulations for FTO and SDGT programs. While the definition of material support excludes medicine and religious materials, it covers "tangible or intangible" property, including currency, financial services, and training, among other assistance. The law has extraterritorial application in that it may apply to activities conducted outside the United States, activities affecting foreign commerce, or support by foreign persons for activities initiated under U.S. jurisdiction (18 U.S.C. §2339B(d)). The Department of Justice is responsible for prosecuting violations of the material support statute and has discretion in prioritizing its cases.

The Department of the Treasury's Office of Foreign Assets Control (OFAC) administers U.S. sanctions programs and may issue general or specific licenses to authorize humanitarian aid when dealing with designated FTOs or SDGTs. In 2021 and 2024, OFAC issued various general licenses related to Yemen, and the Trump and Biden Administrations respectively argued that exemptions would mitigate any humanitarian impact.

NGOs, commercial entities, and financial institutions can be risk-averse without substantial assurance that their operations will not result in sanctions liability or criminal prosecution. The UN opposed the 2021 U.S. designations, arguing that such "de-risking" could exacerbate Yemen's humanitarian crisis. In 2024, UN officials noted humanitarian organizations' concerns regarding the potential economic and humanitarian effects of redesignating the Houthis as an SDGT, particularly with respect to commercial imports of essential items.

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