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

On January 22, 2025, President Donald Trump signed executive order (E.O.) 14175 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). On March 4, Secretary of State Marco Rubio redesignated *Ansar Allah* as an FTO. The 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. E.O. 14175 further outlined a process requiring a review of some U.S. assistance programs in Yemen and directed the termination “as appropriate” of certain U.S.-funded projects, grants, and contracts with entities found to have made payments to Houthi entities or insufficiently documented Houthi abuses (see below). The U.S. Department of the Treasury has revised general licenses providing some exceptions for transactions involving the Houthis. Exceptions for transactions involving the Houthis for trade in refined petroleum products and telecommunications have been made more restrictive.

The Houthis have controlled most of northern Yemen since 2015. Houthi attacks in and around the Red Sea after October 2023 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). E.O. 14175 and the President’s statement say that U.S. policy is to cooperate with partners to “eliminate” Houthi capabilities and operations, as well as to deprive the Houthis of resources. The Administration has not specified what additional actions, resources, or authorities, if any, 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 redesignated 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 with additional defense funding in 2024 to support U.S. regional deterrence operations. In the 119<sup>th</sup> Congress, several proposals would authorize sanctions on the Houthis or direct the executive branch to designate the Houthis as an FTO (H.R. 1848, S. 70, S. 145, and S. 159).

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 119<sup>th</sup> 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 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 redesignation of 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.

In January 2025, the Houthis halted their attacks against ships associated with the United States and the United Kingdom following the start of the Israel-Hamas ceasefire. In March, the Houthis announced they would resume attacks on Israel-linked ships in protest of Israeli restrictions on the entry of humanitarian assistance to Gaza. The State Department has 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 March 6, 2025, UN Special Envoy for Yemen Hans Grundberg said "we have seen a rise in rhetoric from the parties to the conflict, pre-positioning themselves publicly for military confrontation." He acknowledged the U.S. redesignation of the Houthis and said, "Yemen's current trajectory is deeply concerning. We are at a point in time where the fear of a return to full conflict is palpable."

**Humanitarian Assistance.** The conflict in Yemen and crisis in the Red Sea region contribute to what UN 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—considered in need of humanitarian and protection assistance. In January 2025, the annual UN humanitarian 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 have provided both in-kind and market-based food assistance in Yemen. Terrorism designations, U.S. assistance policy changes, or escalation of conflict could affect commercial trade and humanitarian operations in Yemen, with lasting impacts on its population.

In terms of humanitarian access, as of March 2025, the Houthis controlled 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 United States was the second largest donor to the UN's 2024 Yemen humanitarian funding appeal, which was less than 50% funded. As of June 2024, the United States had provided \$219.7 million in FY2024 for in-kind and market-based humanitarian assistance in Yemen, though not all funding was counted toward the UN appeal. The United States also provided development assistance in Yemen.

Section 3(d) of E.O. 14175 requires 1) a joint State Department-USAID review of USAID implementing partners in Yemen, including 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." As of March 12, 2025 the Administration had not made public the results of such a review or officially announced related terminations. Secretary Rubio has confirmed the Administration's decision to end 5,200 U.S. assistance programs worldwide but has not confirmed whether Yemen programs are affected. The Trump Administration intends to "take steps to stop Iran's support for Houthi terrorism, in accordance with President Trump's National Security Presidential Memorandum re-imposing maximum pressure on Iran."

### "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. OFAC has issued general licenses related to Yemen, including for agricultural commodities, medicine, and medical devices (GL22A). The Trump and Biden Administrations have 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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