

Bad U.S. Policy Has Enabled the Current Chaos in the Middle East

Brent Sadler and Nicole Robinson

KEY TAKEAWAYS

A series of poor policy choices by the Biden Administration has set in motion the chaos that is unfolding in the Middle East today.

The United States needs to embrace its Arab and Israeli partners and employ greater sanctions pressure and weapons interdiction to isolate Iran.

America must work to strengthen the Abraham Accords to create more burden-sharing among Arab partners so that the United States can focus on China.

Iran's proxy Hamas initiated a war against Israel on October 7, 2023, unleashing region-wide violence. Until Iran's massive, coordinated drone and missile attacks on Israel on April 14, 2024, the Iran-backed Houthi attacks on Red Sea shipping had been the most urgent problem for the U.S. and its allies. Between mid-November 2023 and March 2024, the Houthis carried out more than 60 attacks on commercial shipping and warships—most of which missed their target.¹ Increasingly, however, Houthi attacks are becoming more successful.

On February 19, U.S. Central Command confirmed that two Houthi anti-ship ballistic missiles struck and severely damaged a Belize-flagged, British-registered, and Lebanese managed vessel.² The most recent seizure of Portuguese-flagged container ship *MSC Aries* on April 13 by Iran's Islamic Revolutionary Guard

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Corps (IRGC) near the Strait of Hormuz increased Iran's pressure on the United States and Israel by disrupting trade through the Strait of Hormuz.³ After several months of U.S. and British airstrikes, the Houthis have been unrelenting in their attacks, and with renewed concerns of a closure in the Strait of Hormuz, the costs to global trade are mounting.

Acting in concert with Iran's wider regional interests, the Houthis' ongoing provocations aim to disrupt international trade, threaten global supply chains, and worsen historically high global inflation—economic pressures that will only drive up prices for everyday Americans. The Houthis hope that these economic pressures will incentivize America to cease support for Israel. Meanwhile, U.S. adversaries, notably China and Russia, are not subject to intentional Houthi attacks and may actually gain an advantage by their free passage through the Red Sea and Suez Canal.

This unfortunate situation was avoidable. Before this round of Middle East chaos, the Biden Administration had inherited a relatively stable region. By confronting the Iranian regime's hostile actions and embracing partners in concert with the historic Abraham Accords, the Trump Administration was able to chart a new peaceful path forward. However, a series of poor policy choices by the Biden Administration set in motion the chaos unfolding in the Middle East today. Failing to reverse this disastrous course risks U.S. interests, dangerously distracting the United States from a potential showdown with China in Asia.

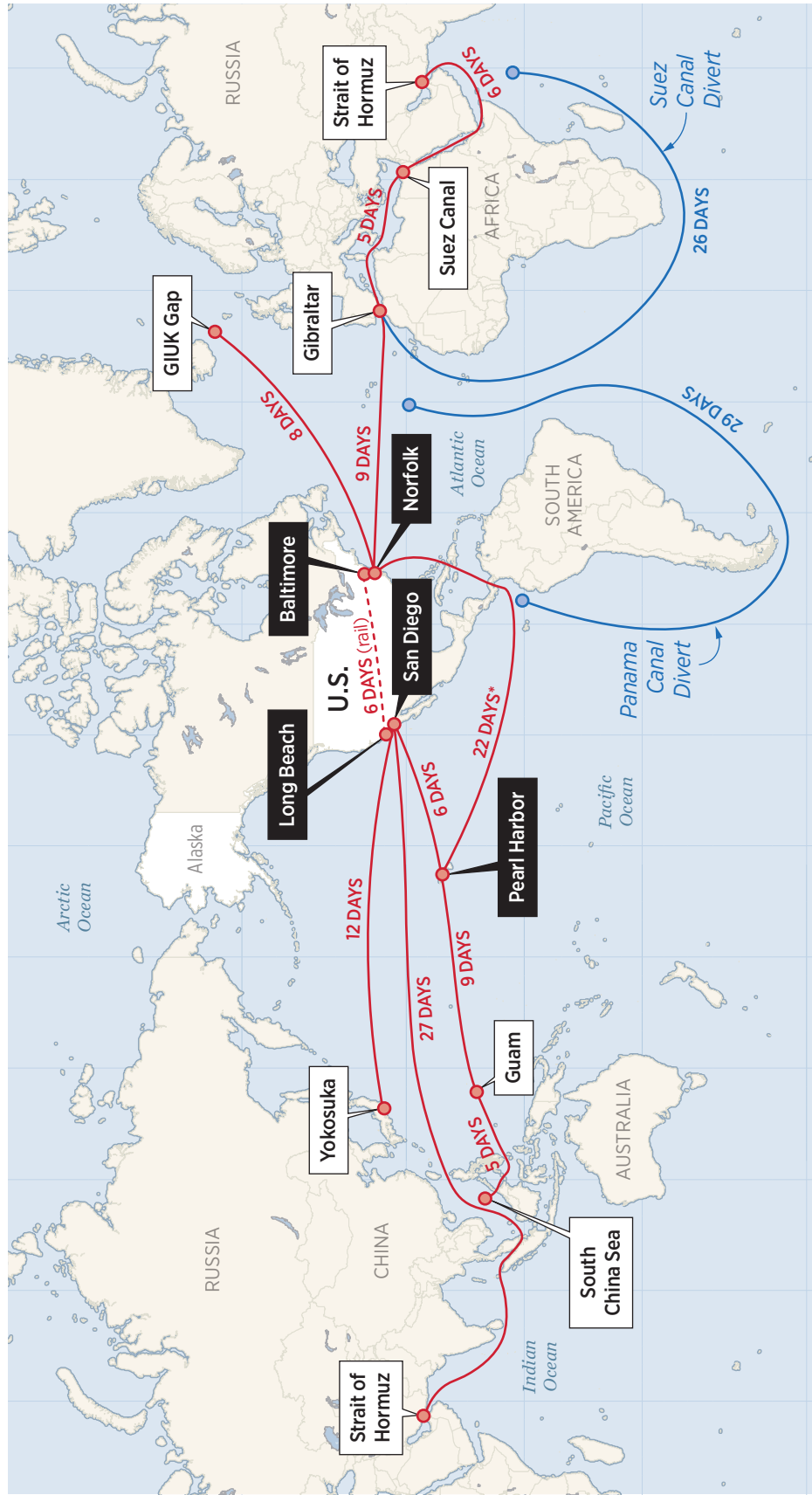
With one-third of all container traffic flowing through it, the Red Sea is one of the most important arteries in the global shipping system.⁴ Another 12 percent of seaborne oil and 8 percent of liquified natural gas (LNG) transit the Suez Canal.⁵ The Red Sea is also a major Internet choke point, home to 16 undersea cables that connect Europe and Asia and also, in addition to being used to conduct financial transactions, enable governments to communicate securely across the region.⁶ In response to the Houthi attacks, many global shipping and energy companies such as Shell and British Petroleum suspended their Red Sea routes indefinitely and are now redirecting their ships around the Cape of Good Hope.⁷ This rerouting adds fuel costs and increases demand for additional tankers to sustain trade flows.⁸ If the impacts on shipping were also to include the Strait of Hormuz, the region's oil shipments, or 20 percent of global oil supplies, would be imperiled.⁹

On December 18, 2023, the Secretary of Defense announced that the U.S., along with its allies, was establishing a joint maritime task force, Operation Prosperity Guardian, to defend against Houthi attacks. Although the operation supposedly brings together 20 countries, more than half of these countries have not acknowledged their participation. Long-standing allies

MAP 1

Steaming Times to Areas of Vital U.S. National Interest

Steam times are approximate based on an average speed of 15 knots.

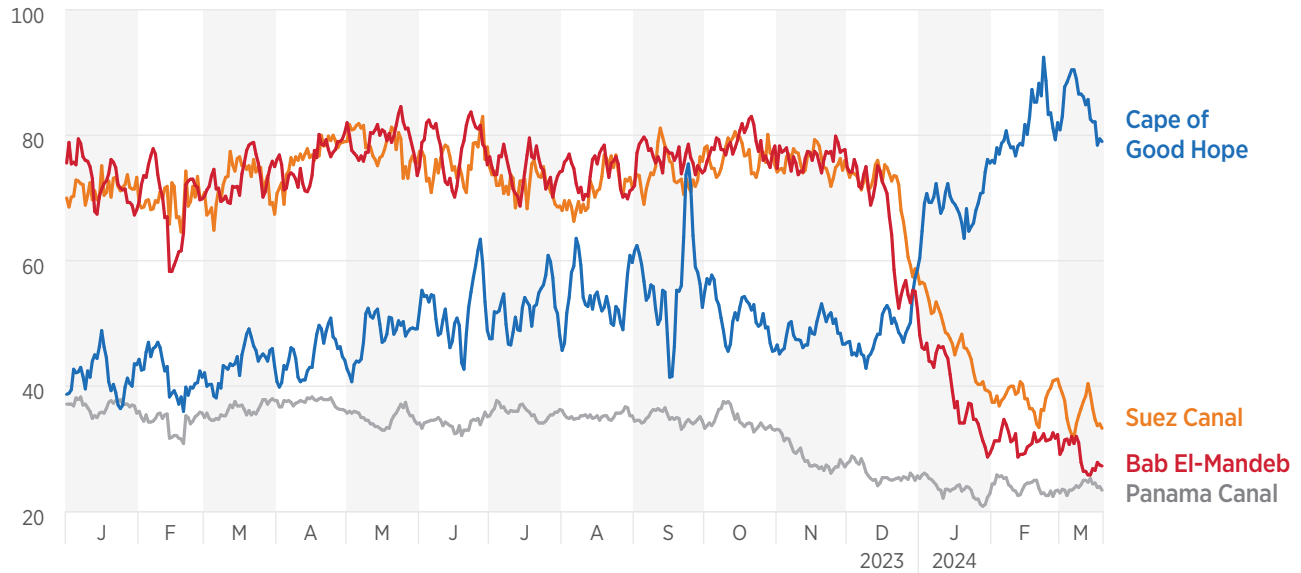


* Assumes no delay in passage through the Panama Canal.
SOURCE: Heritage Foundation research.

CHART 1

Fewer Ships Transiting Suez and Bab El-Mandeb

DAILY TRANSIT CALLS, SEVEN-DAY MOVING AVERAGE



SOURCE: International Monetary Fund, “Data & Methodology,” PortWatch, <https://portwatch.imf.org/pages/data-and-methodology> (accessed April 2, 2024).

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like Spain and Italy have naval forces in the region but have not actively participated in the operation.¹⁰ So far, only the United States and the United Kingdom have carried out strikes to degrade the Houthis’ military capacity to attack shipping in the Red Sea.¹¹

As Houthi attacks continue, it is clear that Operation Prosperity Guardian is failing to re-establish freedom of navigation and the safety of maritime traffic in the Red Sea.¹² Worse, America’s Middle East strategy and military posture in the region have proved to be demonstrably ineffective.

Only an unambiguous signal to Iran will prevent escalation toward a regional war. The U.S. must impose costs on the Houthis to end their assault on shipping. This means, among other things that need to be done, restoring and enforcing the Houthi Designation as a Foreign Terrorist Organization (FTO). The U.S. must also degrade the capacity of Iran’s paramilitary Islamic Revolutionary Guard Corps to sow chaos throughout the region by disrupting the flow of Iranian weapons to Tehran’s proxies. Finally, the U.S. needs to offer a more positive vision for the region by broadening and strengthening the Abraham Accords. Such actions will better ensure and

sustain freedom of commerce and security against the worst proclivities of the mullahs in Tehran.

Sadly, however, there has been little indication that the Biden Administration will act accordingly. Failing to take decisive action will accelerate an already growing divide between the U.S. and key regional partners. In the absence of effective military responses, Iran and its regional proxies will continue to destabilize the Middle East, further drawing limited U.S. resources away from Washington's most pressing threat: China.

The Economic Impact of Houthi Attacks in the Red Sea

Threats to shipping in the Red Sea compound other maritime challenges. For months, shipping has been delayed through the Panama Canal. A drought has slowed the canal authority's ability to retain canal water depth.¹³ Added to the disruptions in the Red Sea, these pressures will accelerate ongoing efforts to harden and diversify U.S. production. Supply chain issues during COVID-19 forced some U.S. industry to onshore and near-source goods made overseas. Thankfully, the fact that U.S. markets are more reliant on trade across the Atlantic and Pacific reduces the impact of Houthi attacks in the Red Sea on U.S. markets.

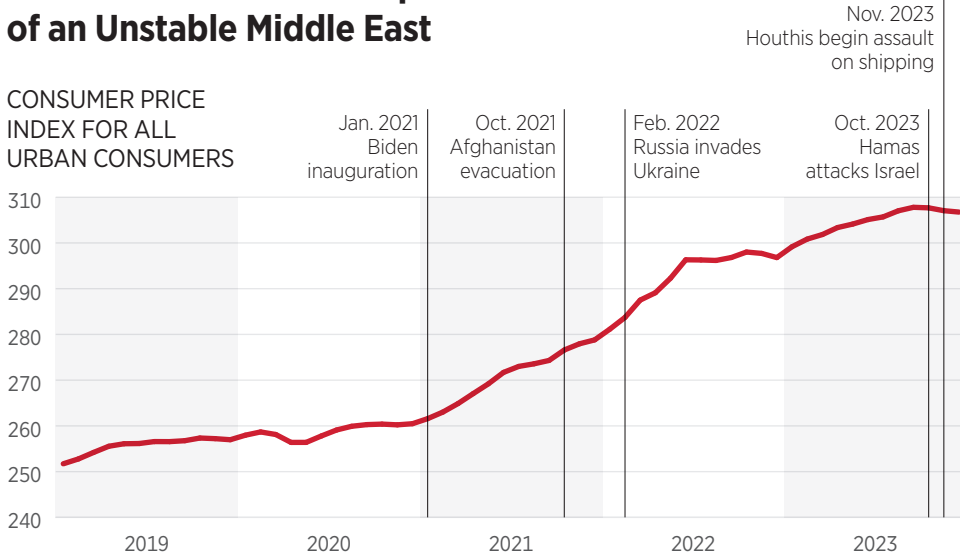
There are, however, trickle-down effects from Houthi attacks in the Red Sea that drive up the costs for everyday Americans. Increased shipping costs may force wholesalers and retailers that import and export their goods to mark up their prices to maintain margins. Consumer goods, apparel, and chemical producers are particularly vulnerable sectors. It is expected that major retailers like Walmart, H&M, and Target, which rely heavily on the Suez Canal to transport goods from Asia, will be affected.¹⁴ As containers and goods adjust to increased shipping costs, that effect adds to inflationary pressures here at home. Americans might first see price increases across import-dependent sectors like electronics, clothing, and gasoline.

Europe is more directly affected by attacks in the Red Sea because many European countries rely on the Red Sea for 40 percent of their imports from and 10 percent of their exports to the Middle East and Asia.¹⁵ Delayed shipments increase prices—both factors that worsen inflation and drive up interest rates.

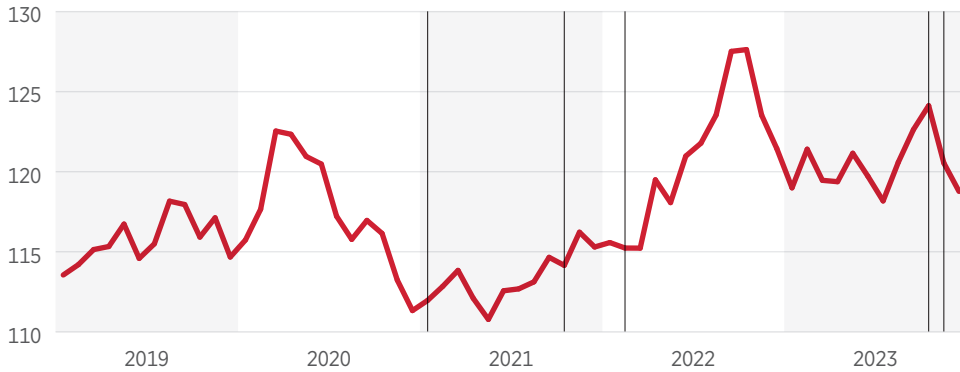
Energy is another problem. Russia's war on Ukraine has increased Europe's dependence on Middle East energy that travels through the Red Sea, with further disruptions to either Brent crude or natural gas a major concern.¹⁶ If the current Middle East crisis is not resolved soon, prices for energy and goods in Europe could increase even further.

CHART 2

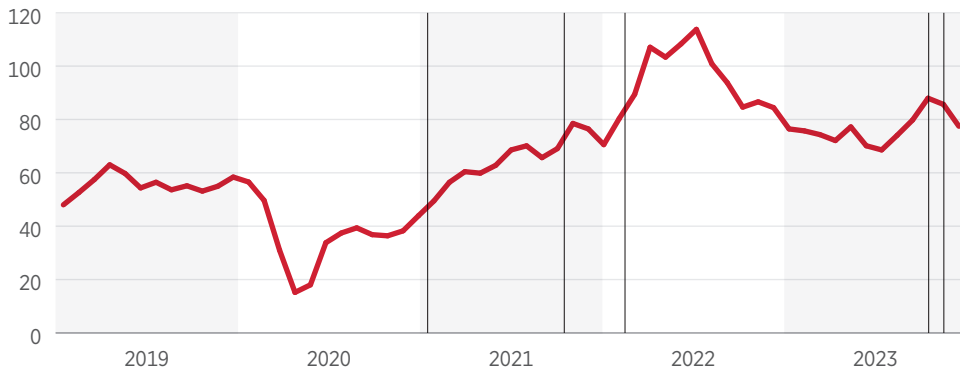
Global Economic Consequences of an Unstable Middle East



DOLLAR EXCHANGE RATE



CRUDE BARREL FIRST PURCHASE PRICE



SOURCES: U.S. Department of Labor, U.S. Bureau of Labor Statistics, "Consumer Price Index," <https://www.bls.gov/cpi/data.htm> (accessed May 8, 2024); Federal Reserve Bank of St. Louis, "Nominal Broad U.S. Dollar Index [DTWEXBGS]," <https://fred.stlouisfed.org/series/DTWEXBGS> (accessed May 8, 2024); and U.S. Department of Energy, U.S. Energy Information Administration, "Petroleum & Other Liquids: U.S. Crude Oil First Purchase Price (Dollars per Barrel)," <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=f00000003&f=> (accessed May 8, 2024).

In Egypt, Red Sea disruptions have affected “the daily influx of \$25 [million] to \$30 million...collected through fees from ships and additional services provided by the Suez Canal Authority.”¹⁷ This further stresses Egypt’s troubled economy, already straining under a staggering 33.3 percent inflation rate as of March 2024 in addition to a weakening currency and historically elevated debt-to-GDP ratio of 88.97 percent.¹⁸ Lost revenue deepens Cairo’s long-running currency shortage and puts pressure on President Abdel Fattah El-Sisi to make key structural reforms.¹⁹ In March, after its currency plummeted, Egypt announced three economic deals: an \$8 billion dollar deal with the International Monetary Fund (IMF); a \$35 billion investment deal with the Emirati Sovereign Wealth Fund (ADQ); and an \$8.06 billion aid deal with the European Union.²⁰ These deals provide the necessary influx of cash to buy time for Cairo. Any instability in Egypt could further exacerbate Red Sea disruptions and make the movement of U.S. naval forces between the Indian Ocean and the Mediterranean through the Suez Canal more difficult.

China’s economy—as noted, already under strain—will face added downward pressures if attacks in the Red Sea increase in lethality or frequency. Shipping has already come under attack in the Arabian Sea, and matters would be made significantly worse if such attacks were to expand into the Strait of Hormuz. These attacks increasingly pose a dilemma for China, which sources a significant share of its energy needs from the Arabian Gulf and sizeable trade with Europe. So far, however, China, like Russia, has benefited because it is not being targeted.

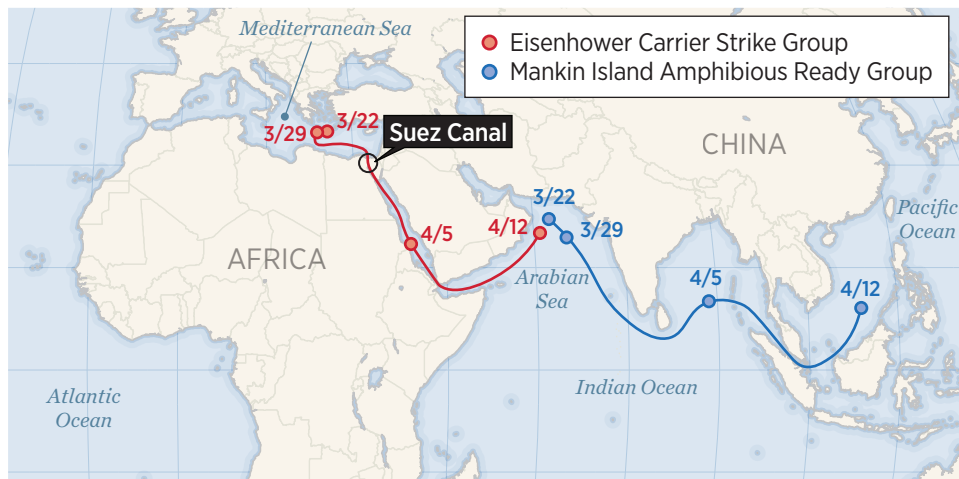
Maritime shipping accounts for 95 percent of China’s exports, and the Red Sea is one of the principal trade arteries upon which it relies to ship its goods to Europe. The cost of shipping goods to Europe has more than doubled since December 2023. High shipping prices come at a time when China is trying to boost its exports to offset the effects of a real estate crisis on its economy.²¹ China imports approximately half of its crude oil from Iran (some of which is suspected of being transshipped via Malaysia) and Gulf States: Kuwait; the United Arab Emirates (UAE); Qatar; and Saudi Arabia.²²

So far, the Red Sea attacks have not seriously affected Chinese trade.²³ If Beijing managed to convince the Houthis to stop attacks in the Red Sea, the result could be to justify China’s naval buildup and global port investments across strategic trade routes. For now, the Chinese are benefitting by letting the situation play out because their ships are not targeted by the Houthis.²⁴ This “protection” gives Beijing a shipping advantage over the United States and its European partners as its trade sails through uninhibited.

MAP 2

Effect of the Suez Canal Blockage on the U.S. Navy

Suez Canal operations were suspended March 23–29 due to the grounding of a container ship, which created a 360-ship traffic jam. The *Eisenhower* Carrier Strike Group (CSG) transited the canal April 2 and arrived on station in the Arabian Sea 10 days later. If the *Eisenhower* CSG had had to circumnavigate Africa, the trip would have taken about three weeks.



SOURCE: U.S. Naval Institute News, "USNI News Fleet and Marine Tracker: May 6, 2024," <https://news.usni.org/category/fleet-tracker> (accessed May 8, 2024).

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For Russia, threats to the energy trade could be a strategic challenge. Since Russia's invasion of Ukraine, Russian oil destined for Europe has been diverted to China and India, sometimes illicitly on so-called dark fleets of unregistered tankers. These oil shipments from Russia accounted for around 75 percent of southbound Suez Canal oil traffic in the first half of 2023.²⁵ Like China's, Russian vessels are not being targeted by the Houthis. Russian oil tankers are therefore sailing through the Red Sea largely unmolested.²⁶

Despite the wider economic impact of Houthi attacks in the Red Sea, only the United Kingdom and the U.S. have conducted military operations against the Houthis. De-escalation efforts so far have failed, leaving the U.S. at risk not only of economic pressure, but also of another prolonged military confrontation in Middle East. Today's situation was avoidable and is the product of a series of bad policy choices by the current Administration.

Biden's Middle East Policy Mistakes

Before the horrific October 7 Hamas attacks, the Middle East was not at the top of President Biden's action list. The Administration's October 2022 National Security Strategy (NSS), for example, references "climate change" twice as many times as it references "Middle East."²⁷ A year later, in September 2023, Biden's National Security Advisor Jake Sullivan stated that the region was "quieter today than it has been in two decades."²⁸ Weeks later, this statement would haunt the U.S. and Israel.

According to the NSS, decades of U.S. foreign policy in the Middle East allegedly advanced "military-centric policies" rooted in an "unrealistic faith in force and regime change."²⁹ To ensure stability and prosperity, the Biden Administration proposed a new strategic framework focused on diplomatic de-escalation with Iran. This approach, if successful, ostensibly could enable the Administration to redirect resources currently concentrated in the Middle East to focus on China's threat to the Indo-Pacific.³⁰ This was the logic behind the Administration's Iran-centered regional strategy with attempts to revive the 2015 Iran nuclear deal—the deeply flawed Joint Comprehensive Plan of Action (JCPOA)—playing a pivotal role.

Given the dire state of the region today, it is clear the Biden Administration's Middle East strategy has failed. This failure is rooted in three key policy mistakes: the decision to appease Iran instead of confronting the regime, the decision to snub regional partners, and the decision to neglect the Abraham Accords.

- **Policy Mistake #1: Biden appeased Iran and permitted its aggressive behavior.** U.S. policy under the Trump Administration maximized diplomatic and economic pressure on Tehran by imposing economic sanctions and pushing back against Iranian troublemaking. More than 1,500 terrorism, missile, and nuclear sanctions targeted individuals and state institutions, costing Tehran over \$200 billion from 2018–2021.³¹ These sanctions impacted Tehran's military spending. In 2019, Iran cut its defense spending by 28 percent, 17 percent of which was for IRGC funding alone.³² Sanctions therefore limited Iran's ability to fund proxies like Hamas, the Houthis, and Hezbollah.

Iranian proxy aggression was also met with strong military repercussions. On January 3, 2020, for example, the United States killed Iranian General Qassem Suleimani in response to months of attacks against U.S. forces in Iraq.³³ This response sent a clear signal to Tehran

that it would pay a high price if its proxies continued to attack U.S. forces in the region. For a while, this act had a chilling effect on Iran's proxy attacks on U.S. forces and interests.

When President Biden came to office, however, his Administration made several concessions to appease Iran in the naïve hope that it would facilitate a quick return to the JCPOA and stop attacks by Iran's regional proxies. Tehran demanded that Washington lift all sanctions imposed by the Trump Administration's "maximum pressure campaign" and remove its designation of Iran's Revolutionary Guards as a Foreign Terrorist Organization. That demand, if granted, would have given Tehran even more benefits than it received under the original nuclear deal, which only lifted nuclear sanctions.

Iran also demanded that Washington guarantee that it would not withdraw from the agreement again—something that no President can promise.³⁴ After more than seven rounds of indirect negotiations facilitated by Russia in Vienna, Austria, the Administration was left with no agreement. Instead, it faced an increasingly hostile Iran.

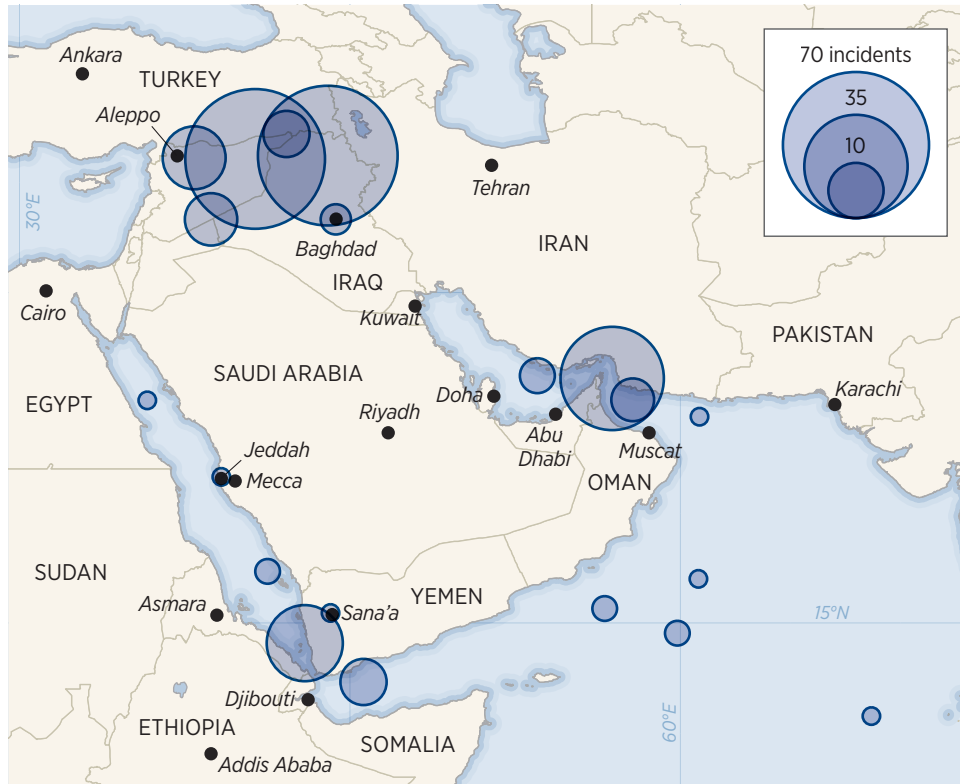
Between January 2021 and March 2023, Iran and its proxies attacked U.S. forces in Iraq and Syria more than 83 times. The U.S. responded to these attacks only four times.³⁵ By ignoring the threat, the Biden Administration gave Tehran and its proxies a green light to escalate their attacks on U.S. forces and regional partners.

Even after the vicious murder of Mahsa Amini for violating Iran's headscarf rules and the brutal crackdown on protests that followed, the Biden Administration continued its appeasement of Iran. The Administration has essentially overlooked the mullahs' human rights violations and Iran's destabilizing proxies in pursuit of a nuclear arms deal to the detriment of America's relations with regional partners.

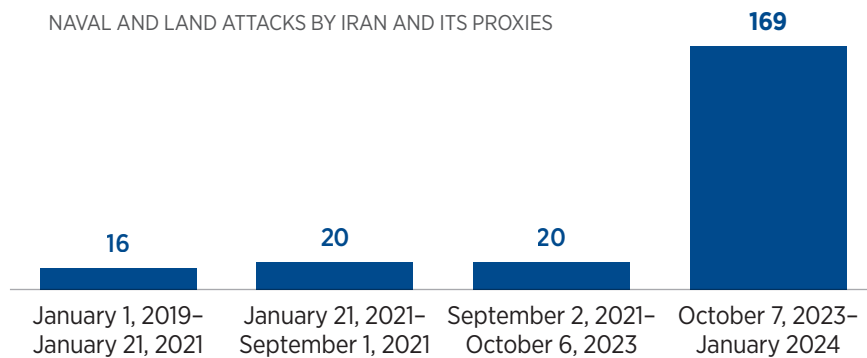
- **Policy Mistake #2: Biden alienated regional partners.** Unlike the Trump Administration, which developed good working relationships with regional partners to confront Iran, the Biden Administration acquiesced to Tehran, hoping to entice the regime to return to the JCPOA. At the same time, the security concerns of partners such as Israel, Saudi Arabia, and the UAE were largely ignored.

MAP 3

Naval and Land Attacks by Iran and Its Proxies



NAVAL AND LAND ATTACKS BY IRAN AND ITS PROXIES



NOTE: Naval incidents include instances of harassment and attacks on commercial and naval vessels. Land incidents include verified attacks against U.S. forces.

SOURCE: Heritage Foundation research.

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A case in point: Despite more than 20 separate drone and missile attacks against Saudi infrastructure from January to March 2021, the Pentagon announced in June 2021 that it would withdraw missile defense systems,

military hardware, and personnel that were sent to Saudi Arabia and the UAE in 2019 by the Trump Administration.³⁶ At about the same time, President Biden paused arm sales to the UAE and Saudi Arabia under agreements negotiated under the Trump Administration.³⁷ These two decisions were not well received in Riyadh and Abu Dhabi because they left Gulf partners vulnerable to Iran and its proxies.³⁸

Unsurprisingly, the Iran-backed Houthis conducted hundreds of attacks against Saudi Arabia between 2021 and 2022 and attacked the UAE twice in 2022.³⁹ Similar attacks took place prior to 2021 during the Trump Administration, but the U.S. imposed high costs on Iran and embraced regional partners. Following attacks during 2021 and 2022, the UAE and Saudi Arabia requested additional air defense support, and the UAE asked that the Biden Administration redesignate the Houthis as a Foreign Terrorist Organization.⁴⁰ Ignoring both requests, the Administration instead chose to continue talks with Iran. Then, when oil prices spiked after Russia's invasion of Ukraine in February 2022, the UAE and Saudi Arabia refused to take President Biden's phone calls asking for help in supplying global energy markets.⁴¹

In the summer of 2022, with gas prices high and mid-term elections pending, Biden made his first trip to the Middle East and visited Saudi Arabia and Israel. Biden, however, spent the beginning of the meeting with the Saudi King condemning Crown Prince Mohammed Bin Salman, who was present at the meeting, for allegedly approving the murder of *Washington Post* journalist Jamal Khashoggi—a major insult to the crown prince.⁴² Saudi Arabia agreed to a nominal increase in its oil output, but this verbal commitment was never implemented. Instead, the Kingdom made additional cuts in October 2022.⁴³

After a so-called apology tour around the region and approval of \$5 billion in missile defense and related sales to Saudi Arabia and the UAE, the Biden Administration managed to repair its poor relationships with regional partners to some degree.⁴⁴ With relations thus marginally improved, the Administration looked to revive the Abraham Accords with Saudi Arabia as the next signatory.

- **Policy Mistake #3: Biden neglected the Abraham Accords.** Negotiated by the Trump Administration and signed in September 2020 by Israel, the UAE, and Bahrain and later by Sudan and Morocco, the

Abraham Accords created a pathway for increased economic and security cooperation among America, Israel, and four Arab countries, strengthening their abilities to deter Iranian aggression.⁴⁵

From the beginning of its term, however, the Biden Administration was hesitant to embrace the Trump Administration's successful accords. In the summer of 2021, for example, it was reported that the State Department was avoiding the term "Abraham Accords," referring to them instead as "normalization agreements."⁴⁶ Whether or not this was true, the Administration did not make any noticeable efforts to advance the accords until nuclear negotiations with Iran failed and energy prices spiked in the summer of 2022.

Following President Biden's visit to the region, the U.S. and Abraham Accord countries established the Negev Forum as a framework for enhanced regional cooperation. According to the State Department, the forum consists of working groups focused on clean energy, education and coexistence, food and water security, health, regional security, and tourism.⁴⁷ The only progress in this new forum was its unveiling; ministerial meetings were postponed in March and then June 2023.⁴⁸

At the same time, the Biden Administration has been pushing to negotiate a peace agreement between Israel and Saudi Arabia, but the Kingdom has driven a hard bargain. Saudi Arabia insists on a mutual security pact with the United States and the development of its own civilian nuclear program.⁴⁹ The attack on October 7, however, set back normalization talks. The Saudis are now demanding that "an independent Palestinian state be recognized along the 1967 borders with East Jerusalem as its capitol."⁵⁰ Given the current war in Gaza, it is unlikely that any diplomatic push will move the needle toward normalization.

Neglecting the Abraham Accords was a missed opportunity for President Biden. If the Administration had embraced and strengthened the accords framework from the beginning, Saudi Arabia would have been more incentivized to join. More important, embracing the accords would have reassured regional partners of America's U.S. commitment to the Middle East even as the U.S. shifted its attention to the Indo-Pacific to address the China threat.

The Consequences of Bad Policy

In the Biden Administration's final year, the Middle East is on fire again. While Israel fights to defeat Hamas in Gaza, Iran and its proxies have stepped up their attacks against Israeli and U.S. forces across the region. In Iraq and Syria, Iranian proxies have attacked U.S. troops largely unopposed more than 168 times and with deadly consequences. On January 28, three U.S. servicemembers were killed and 34 were wounded in a drone attack by an Iranian-backed militia in Iraq.⁵¹ As the situation has worsened, Congress has approved aid to Israel and passed multiple bills sanctioning Iranian officials and Iran's energy sector.⁵² These congressional actions were taken after Iran significantly escalated tensions following a surgical Israeli strike on the Iranian embassy compound in Damascus on April 1 that killed senior IRGC leadership coordinating the attacks on Israel.

On April 14, Iran and its proxies in Yemen, Lebanon, Iraq, and Syria responded by launching more than 300 missiles and attack drones at Israel. All but five ballistic missiles were intercepted by Israeli air defense systems (Iron Dome and Arrow 3) and by U.S., British, French, and Jordanian aircraft.⁵³ The attack was the first time the mullahs in Tehran had executed a direct attack on Israel from Iranian territory. Israel's limited strike in response reduced tensions between the two for now, but the situation could escalate at any moment.⁵⁴

Meanwhile, to the south, global trade remains held hostage by the Houthis—one of several factions vying for power in war-torn Yemen.⁵⁵ The Houthis are suspected of receiving assistance in their targeting of attacks by the persistent presence of the Iranian spy vessel *Behshad*, which has been in the Red Sea since 2021.⁵⁶ The spy ship, however, is currently en route back to Iran, likely decreasing the Houthis' ability to target vessels accurately.

The Houthis' attacks in April, but have since resumed attacking ships.⁵⁷ Because of these attacks, half of the global shipping fleet that regularly travels the Red Sea is rerouting around the Cape of Good Hope in Africa. This represents significant lost business for the Egyptian Suez Canal and is costing global shipping companies billions of dollars in additional fuel, delays, and insurance premiums.

Charting a Path Forward

Washington's actions have neither curtailed nor diminished the impact on the attacks in the Red Sea. Sadly, the Biden Administration refuses to take concrete, material steps to shift its failed policies, apparently preferring to leave the problem for a future President. A future Administration should therefore:

- **Disrupt material weapon supplies to the Houthis.** Since November 2023, the United States and the United Kingdom have conducted a series of targeted attacks against the Houthis in Yemen. The objective of these strikes is to degrade the Houthis' capability to attack shipping in the Red Sea and Arabian Sea. Until weapon supplies from Iran are cut off, however, the Houthis will be able to continue attacks in the Red Sea. In international waters, in accordance with international law, all navies retain the right to "approach and visit" vessels suspected of piracy, slave trading, falsely broadcasting their flag state, or failing to fly a flag of their registered state. Additionally, the direct or indirect supply, sale, or transfer of weapons to the Houthis in Yemen violates both United Nations Resolution 2216 and international law. These authorities grant the U.S. and its allies wide margin to interdict shipping headed for Yemen. U.S. and partner navies should therefore collaborate with partner navies and regional partners to interdict arms shipments headed to Yemen and close overland smuggling routes through Oman and Saudi Arabia.
- **Restore and enforce the Houthis' Designation as a Foreign Terrorist Organization.** On January 17, 2024, the Biden Administration redesignated the Houthis as Specially Designated Terrorists (SDGT), reinstating one of the two terrorist designations put on the Houthis by the Trump Administration. The SDGT designation took effect on February 16. But not redesignating the Houthis as an FTO means that only limited asset freezes can be implemented. This additional designation would impose more significant constraints, including immigration restrictions on members of the organization simply by virtue of their membership, whereas SDGT travel restrictions are much more constrained.

The FTO designation also triggers a criminal prohibition on knowingly providing material support or resources to the designated organization. Licenses and exemptions can be drafted for both FTOs and SDGTs, but only an FTO designation triggers a criminal prohibition on knowingly providing material support or resources to the designated organization.⁵⁸ Potential criminal prosecution makes multinational aid organizations, international banks, shipping companies, and suppliers nervous about possibly violating U.S. laws. While an FTO designation would create a legally challenging environment for aid organizations, it would not be impossible to get needed aid to those who merit it.

- **Strengthen the Abraham Accords.** Shying away from the Abraham Accords was a strategic miscalculation for the Biden Administration. The Accords shifted the geopolitical order in the Middle East because they set up a framework that could be used to explore new defense, investment, and political opportunities to bring together Israel and Arab partners under American leadership. A future Administration should look for opportunities to advance the collective interests of countries participating today in these Accords, notably with enhanced economic cooperation.

Given the current war in Gaza, the U.S. should explore opportunities to strengthen trade cooperation through the Dubai–Haifa “land corridor.” This proposed route would connect Dubai’s Jebel Ali Port in the UAE to Israel’s Haifa port via roads through Saudi Arabia and Jordan. This corridor would allow trade to bypass the Red Sea and sets the conditions for more regional trade agreements that encourage more nations to join the Abraham Accords. Doing so will build trust between Israel and its Arab partners and it will weaken China’s influence in the region.

Conclusion

Make no mistake: The Middle East is aflame because of the Biden Administration’s poor policy choices. The United States must be strategic in its approach to avoid falling into another Middle East conflict. The Houthi threat in the Red Sea is a symptom of a larger problem with Iran. To address this threat, the United States must embrace its Arab and Israeli partners to isolate Iran. Greater sanctions pressure and weapons interdiction are short-term solutions, but in the long term, America must work to strengthen the Abraham Accords in a way that creates more burden-sharing among Arab partners to address the Iranian threat so that the United States can focus on China.

The President should have embraced the Abraham Accords and sustained comprehensive pressure on Iran. Instead, the Administration redeployed deterrent military capabilities out of the Middle East, spurned key regional partners such as the UAE and Saudi Arabia, ignored attacks against U.S. troops in Syria and Iraq, eased sanctions, and released funds—all to appease Iran. Its actions have effectively enabled our top regional adversary to finance and supply its proxies that are behind all of the chaos that we see today. Moreover, the massive April 14 missile and drone attack

against Israel is a clear escalation by Iran and must not be viewed as in any way acceptable. To reverse course and ultimately to keep Iran in check, the Biden Administration must embrace its Israeli partner instead of appeasing its Iranian adversary.

Without U.S. leadership, the Middle East will look for alternative partners. China is already making commercial and strategic inroads in the region. The Middle East links Europe, Africa, and Asia and is home to key commercial, communication, and energy arteries that the Chinese Communist Party relies on to sustain its economy. Taking a step back from the Middle East will open the door for greater Chinese encroachment and further elbow the U.S. out at great security and economic risk to all Americans.

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Endnotes

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