The Saudi Factor

July 23, 2025
Featuring Ambassador Michael Ratney
Hosted by Mark Dubowitz

RATNEY: Yeah, it's imperfect. But we've reached the point where, and I know all of the arguments against military action, I understand the humanitarian situation, I understand the imperfection of our tools, but it got to the point where you can't not do something.

DUBOWITZ: Welcome back to “The Iran Breakdown.” I’m Mark Dubowitz. For Saudi Arabia, Iran has long been the most dangerous actor in the region — funding militias, arming the Houthis, threatening the Kingdom’s oil fields, economic projects, and internal security.

So when Riyadh and Tehran announced a Chinese-brokered rapprochement last year, it was surprising — even unsettling. After decades of open hostility, could this really be a turning point – or just a tactical pause in a deeper, more dangerous rivalry?

Joining me today is Ambassador Michael Ratney. He was the former U.S. Envoy to Saudi Arabia and one of America’s top diplomats in the Gulf. We’ll dig into how the Saudis see Iran’s ambitions, how October 7 disrupted the path to Israeli normalization, and what all of this means for U.S. strategy and regional stability.

So, let’s break it down.

Michael, great to have you.

RATNEY: Thanks for inviting me.

DUBOWITZ: So Michael, we always like to begin these episodes with your personal background, because I think it's always really interesting how your personal background really aligns with your professional choices and a great career that you've had in the diplomatic corps. I should begin by saying thank you for your service.

RATNEY: You're very welcome.

DUBOWITZ: To our country. It’s always, in these times where everybody is so obsessed with the deep state, one has to always remember that these people in the deep state are loyal Americans, great patriots, who've really served our country. So thank you for that.

RATNEY: Thanks for saying that. I just retired 34 years as a Foreign Service officer, and I have to admit, I've had a kind of charmed career. I've liked every place that I worked. I joined the Foreign Service in 1990. I didn't even know at the time that the Middle East would be the sort of dominant theme. And within the Middle East, a lot of it was the Arab-Israeli and Israeli-Palestinian relationship.

DUBOWITZ: And Michael, where are you from originally?

RATNEY: Massachusetts.

DUBOWITZ: From?

RATNEY: Bedford, Massachusetts.

DUBOWITZ: Bedford, Massachusetts.

RATNEY: I grew up in the suburbs of Boston, went to Boston University, eventually went to grad school at GW [George Washington], that I sort of entered the Washington ecosystem. And at the time, at the Elliott School at GW, a lot of people would take the Foreign Service exam at some point.

And it was interesting. Everybody got into that program thinking like they all wanted to join the Foreign Service, and it was just a small handful that finally by the end of it found their way into the Foreign Service. And I stay in touch with some of those folks from grad school that have done it. It was pretty fun. But I ended up in Morocco, in Casablanca.

DUBOWITZ: That was your first posting?

RATNEY: It was my second posting. So I tell people my first posting was actually in Barbados.

DUBOWITZ: Nice.

RATNEY: I know, but everyone sort of giggles when I tell them that I spent two years living in Barbados, but it was sort of fun. But I ended up in Morocco, loved it, loved that part of that region. Wasn't exactly the Middle East, but it was kind of an entree into that. Worked there, worked in Beirut a few years after that. Studied Arabic, the State Department sent me to Arabic school for two years in Washington and in Tunisia. Worked in Lebanon. Back in Washington, working on Israeli-Palestinian relations, mostly economic relations. Took a break.

My wife's in the Foreign Service too. She's actually our ambassador to Kuwait right now. We took a break from the Middle East and went to Mexico for a few years. I took a break from Mexico to go to Iraq shortly after we invaded and overthrew Saddam and spent a bit of time there. And then after that landed in Doha for three years in the sort of mid-2000s. Back to Washington, worked in public affairs and then found my way to Jerusalem.

So I was the U.S. Consul General in Jerusalem from 2012 to 2015. That post no longer – it's now been folded into the embassy, but it was sort of our representation to the Palestinians in the West Bank and Jerusalem and Gaza.

DUBOWITZ: Actually, you probably don't remember that I actually met you then in Jerusalem.

RATNEY: Oh, I think maybe I did remember it.

DUBOWITZ: That was actually our first meeting. And then of course I saw you in Riyadh where you were very kind to host me. I think it was the first day.

RATNEY: Yeah, my first day.

DUBOWITZ: As ambassador to Saudi Arabia, which I thought was very generous of you to open the doors on your first day.

RATNEY: Yeah, so I had to dive right into it.

DUBOWITZ: So you were in Jerusalem and then after that?

RATNEY: After that I was Special Envoy for Syria. So the last year and a half of the Obama administration and the first year of the Trump administration, and that job was mostly dealing with the Syrian opposition, some in exile and some were these armed groups that were fighting inside the country, and I was traveling constantly.

It was both fascinating diplomacy, which was also pretty depressing, because the trajectory of that war was not great, and you saw up close and personally effect that it had on all of the participants and the residents. And kind of seeing the fall of Assad just a few months ago now was a remarkable turn of events, I have to say. And I'm sort of, now it has my interest, because I really want to re-explore what's going on there at this point.

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DUBOWITZ: So you're all over the Middle East, you're obviously not yet in Saudi Arabia, and we don't have an embassy in Iran. Please God, one day in a free Iran, we will, and we will all be there and we'll all be celebrating including most of our listeners. But you were seeing, I'm sure in all these postings, you were seeing the influence of the Islamic Republic of Iran and you were seeing the influence of Saudi Arabia. Maybe from the perspective, we don't have to go through each of the postings, but just your overall observations in the region, seeing the shadow being cast by these two significant Middle Eastern powers.

RATNEY: Yeah, for sure. I mean, Iran was always – Iran and the, sort of later the rise of Salafi jihadis, these twin threats that most of our partners saw as the principal threats to their stability and their rule. And the Saudis, increasingly the biggest fish in the pond in the sense of regional influence. And over the course of particularly the last 10 or 15 years of my career, I saw increasingly where we and other outside parties saw Egypt as the center of the Arab world.

Increasingly, it was becoming Saudi Arabia and their influence, everywhere. And they clearly, it was particularly true as MBS [Mohammed bin Salman] became Crown Prince and sort of asserted control over the country. They looked to Saudi because this was the most ambitious country. It was still quite wealthy and it had a lot of ambitions. But it was a different Saudi Arabia, because once upon a time, Saudi was big, it was prosperous, it was engaged. And I think a lot of countries, including the United States, saw it in many ways as a source of money.

So we would have an initiative in the Middle East, whether it was for the Palestinians or the Syrians or the Jordanians, you name it, we would go around, we would ask the Saudis to support it, and Saudi became much more ambitious. And I saw this acutely in the last two years. They were much less interested in supporting initiatives that we or others brought to them.

On the other hand, they did want to partner with us on things that we might be able to do together. And that's been the big change is they have their own, we can talk a little bit about this, they have their own priorities, which are almost exclusively their internal development and transformation. And their interest in the rest of the region as much as we look to them in some ways is the leader of the Arab world, there's a certain ambivalence there, because what they're really focused on is development of their own country. And they looked at the rest of the region to the effect – to the extent that it impinges on those plans. And Iran is one of the big ones.

DUBOWITZ: Well, it's interesting, I mean obviously you served in the Middle East before 9/11 and after 9/11, correct? In terms of your trajectory and Saudi influence before 9/11, and then it really expressed itself on 9/11, at least as an outside observer, and I think we saw it, this trajectory, was quite malign. I mean, this was the radicalization of Muslim communities throughout the Middle East, really throughout the Muslim world.

I remember hearing the statistic, I don't know if it's true, that the Saudis spent more money to promote Wahhabism than the Soviet Union ever spent to promote communism, which is a good sound bite. It may or may not be true, but they're certainly spent billions of dollars on madrasas and mosques and–

RATNEY: Including in the United States.

DUBOWITZ: – including in the United States. So we think now, people of our generation, we remember the battled Saudi Arabia. We've seen the incredible transformation under MBS in particular to a much better Saudi Arabia. But their influence was quite malign in those years.

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RATNEY: It's so interesting, depending upon what generation you fall in, you think of the malign Saudi Arabia, either through the oil embargo in the ‘70s or through 9/11 or through the killing of Jamal Khashoggi. And those three images, depending upon your generation, just still resonate. And the degree to which Saudi wants to turn the page on all of those is really striking.

So Saudi became the Saudi that had this malign image after 1979, after the mosque seizure in Mecca. And the realization that they had a real problem with conservative is an understatement, radicalized Salafis that became a huge problem. And at the time, in those years in the '80s, the answer was kind of indulge them. This country is more conservative than we realized. We need to indulge them. And this isn't just me talking, this is the way the current leadership of Saudi looks at it.

That indulgence of those forces at the time led inexorably to September 11th. It created this kind of cadre of people who would do harm to us, to the Saudis themselves, to others in the region. And I think MBS sees this transformation of his country in a lot of ways. But one of the big ways that he sees it is undoing all of that, undoing the Saudi Arabia that led to September 11th. And that means they're kind of out of the business of funding proselytization of Wahhabi Islam overseas; in the United States, funding mosques.

If they would say it over and over again, if they're going to spend money, it's going to be on their own country, not on other people's conflicts or propagating their vision of Islam. There's this organization, the Muslim World League, and in its day, they were the center of that.

DUBOWITZ: Oh, I remember thinking about the Muslim World League. It was one of those organizations no one had ever heard of, but they had such an influential role in promoting radical Islam and spending this money. And there's been an unbelievable change there.

And I want to talk about the Muslim World League and its new leader there, because really I think just symbolizes in many ways this transformation. But before we go there, I want to go back to actually '79, because what's interesting about '79, just to tie the theme of this podcast together, which is on Saudi Arabia and Iran is '79 was a seminal year for both the Saudis and the Iranians.

RATNEY: Right.

DUBOWITZ: For the Iranians, it was the Islamist Revolution of '79. And for the Saudis, and you mentioned it, and I think many people know a lot less about this, but talk a little bit more about what happened in '79 in Saudi Arabia and how that kind of galvanized the Saudis in response maybe to the Islamic Revolution to begin their own almost Sunni Islamist Revolution.

RATNEY: It's really interesting for a lot of Americans, you say, “1979,” and people immediately think of the revolution in Iran and the hostage crisis. That was the crisis that gripped everybody. It was on television every night.

You talk to Saudis about 1979, they're aware of that to be sure. But for them, it had to do with the seizure of the mosque in Mecca by these Islamic radicals. And it was something that they were wholly ill-prepared to deal with. They eventually dealt with it by allowing foreign special forces to come.

DUBOWITZ: The French special forces that came and rescued them.

RATNEY: And at the end you might say, "Okay, we got a problem here. We got to crack down on this problem. This is the security threat for us." And in fact, what they did was sort of indulge those forces. And I remember vividly, not from the day, but I remember I had an Arabic teacher a few years ago, a woman who was a Jordanian woman, but she lived in Jeddah at the time, in the kind of early '80s to the mid-80s.

She was telling me the stories about how Saudi changed. She lived there when they had movie theaters. She lived there when it was not, I won't say it was a liberal society, but it was not the Saudi that became famous with religious police and so forth. And she said once she realized they had just banned changing rooms in women's clothing stores.

DUBOWITZ: Wow.

RATNEY: At that point, she's like, "I'm out of here."

DUBOWITZ: She knew.

RATNEY: She knew things were moving in that direction very quickly. There were no more movie theaters. The whole issue of gender mixing became much more controversial. The rise of the religious police, the funding of these at an official level, including propagating this Wahhabi Islam overseas, it became really dangerous. And again, for Saudis, I think a lot of them look at that period and they say, this is what enabled the rise of people like Osama bin Laden and eventually that age of Al-Qaeda terrorism.

And it was really in the early 2000s when that threat started to affect them directly. And if you think about it, a lot of the terrorist attacks, kind of 2000, after the Iraq invasion, 2002, 2003, there was a real domestic terrorism problem inside of Saudi Arabia.

DUBOWITZ: And that's certainly when they began to crack down and they had their come to Mohammed moment. But it is interesting that the response to the Islamist revolution in Iran was to actually try to be more Islamist than the Islamists. In other words, 1970s Iran, fairly open under the Shah. I mean certainly an authoritarian regime, not a great place for civil liberties, but progressive–

RATNEY: Yeah.

DUBOWITZ: – economic prosperity growing, maybe similar in Saudi Arabia in the ‘70s, as your former Arabic teacher told you. And then boom, '79 happens, Islamist revolution in Tehran, the seizure of the mosque in Mecca. And the Saudi response to that is to become more extreme or as extreme as the Shiites in Tehran.

RATNEY: The Iranians are becoming more extreme. So you have these two poles of the Middle East both becoming more extreme versions of themselves, right? And setting themselves up for even greater tension and greater rivalry. I think that rivalry always existed, existed even under the Shah who had expansive views about propagating Shia Islam. But it became much more toxic as both of those countries became much more extreme.

DUBOWITZ: So it's interesting because – and you look at the evolution of both countries, I mean, the Shah was a nationalist not Islamist. And you could argue Saudi Arabia pre-'79, maybe it was religious, but it was also about Saudi Arabia and Saudi Arabian nationalism. And that's certainly what MBS has taken the new Saudi Arabia. I want to ask you, I think he's elevated Saudi nationalism, Saudi patriotism over Islam.

RATNEY: Absolutely. In fact, explicitly, I think he wants to replace this sort of Islamic nationalism with a Saudi nationalism, and he's not unaware that he has a very religiously conservative country. But I don't think he wants that religious conservatism to be Saudi's defining trait. So there's things like national holidays that are new and it's a much more public presentation of Saudi's history, the al-Saud family's history. If you go to Diriyah, which was the original seat of the al-Sauds, there's a museum.

DUBOWITZ: A great light show.

RATNEY: Yeah, it's a great light show, it's great restaurants. But the museum really essentially overlays Saudi's history with the history of the al-Saud family. And in fact, the origin story from the 18th century of Saudi Arabia was this marriage of the al-Sauds, the political leadership, what became the dominant tribe with Muḥammad Ibn Abd al-Wahhab, who was the religious leader. And it was like, "We'll take care of the tribes and the politics and you take care of the religion." And this marriage persisted into the modern era really, and now increasingly, you see that piece of their history–

DUBOWITZ: They're downplaying it.

RATNEY: – downplayed, and the secular is the wrong word, but it's kind of a Saudi nationalist narrative becomes the dominant theme.

DUBOWITZ: That's interesting. I mean, when you compare it to where Iran is today, I mean, I think that the Islamists inside Iran, Khomeini and now particularly Khamenei, have tried to co-opt Iranian nationalism and fuse it with Islamism, but they've been wholly unsuccessful, because what's happened now is 80% of Iranians despise this regime. They still got a 20% support base with its own fractures and fissures. But Iranians are very proudly nationalistic, but they hate the regime and they were actually rejecting Islamism.

RATNEY: Technically, you shouldn't be able to celebrate Nowruz in the Islamic Republic.

DUBOWITZ: That's right.

RATNEY: But try to take that away from the Iranians, it's–

DUBOWITZ: Norwuz and celebrating Cyrus the Great and these holidays and the regime has had this complicated, ambivalent, tenuous relationship with Persian history, sometimes trying to co-opt it, but often trying to crack down on those who celebrate it.

RATNEY: Yeah.

DUBOWITZ: Because it is a threat actually to the founding principles of the Islamic Republic.

RATNEY: Which rejects all of that identity. So there was this fascinating moment when I was in Riyadh, which was maybe two years ago now, where the Saudis hosted the UN World Heritage Committee. This is the group of part of the UN that designates world heritage sites of which there's several in Saudi Arabia. So they hosted the committee, which is just a UN body, and they vote on things, but they had an opening ceremony.

That was fascinating because it was the history of Saudi, the full history, from ancient pre-historical times until the near future, as produced by a Las Vegas show with dancers and acrobats and lights and movies, and it was not just centuries, it was millennia. All of the various civilizations that have passed through the Arabian Peninsula into the era when, the era of Islam was a part of it, but it was only a part of it.

And the idea of celebrating, and this is the dominant theme among Saudi's nationalistic narrative and their desire to host tourists, which is celebrating their pre-Islamic past, out of the question before. Once upon a time, if you were a construction company and you were building a site, you ran across pre-Islamic archeological ruins, bulldoze them. Now, it's actually celebrated and it's the centerpiece of their tourism industry, something that 15 years ago would've been, 10 years ago would've been inconceivable.

DUBOWITZ: It's so fascinating. Obviously, I haven't spent as much time in Saudi Arabia as you, you were the ambassador there, but I've probably been 12, 13 times both pre-MBS, but mostly post-MBS, and just seeing that transformation is pretty profound. But that Saudi-Iranian rivalry. I mean, historically.

Talk a little bit about that. We sort of touched on the '70s, the '80s, and then to get to the modern period, I think it's also evolving. Can you walk us through the evolution of that relationship, a tense relationship at times, a very hostile relationship, maybe now a still tense relationship, but an attempt to reconcile on certain points?

RATNEY: Yeah, I think there was a turning point in a sense, always sort of a tense relationship. Because the Saudis always knew that the Iranians, among all of the various things that they did, they were sponsoring proxy groups and undertaking all sorts of nefarious activities in the region. And at the end of the day, the Saudis, I think, knew that Iranians at some level, treated them contemptuously. It was reciprocated to a great degree.

DUBOWITZ: Right. But gunning for them, don't you think?

RATNEY: Yeah.

DUBOWITZ: I always got the sense in Riyadh that they believed the Islamic Republic was coming after them, coming after their kingdom, saw them as imposters. They weren't worthy of having this authority in jurisdiction over the two mosques, and they were not the leaders of the Muslim world. The Islamists in Iran were the leaders of the world.

RATNEY: Yeah, and they were looking for ways that they could undermine them, just do them harm or embarrass them. And sometimes that took place in Mecca during the Hajj. Sometimes it took other nefarious forms. Certainly after Saddam was gone in Iraq, there was new opportunities to sponsor groups that were antithetical to the Saudis.

DUBOWITZ: There's a Saudi Shiite community as well that–

RATNEY: Yeah, there's a significant Saudi Shiite community that I think the Iranians probably saw them as a potential source for folks that they could recruit to do nefarious things. And I think the Saudis, particularly in recent years, have been more protective of them. We can talk a little bit about that in a moment, but their whole approach to the Shiite community, mostly in the Eastern province, has changed quite a bit.

DUBOWITZ: Is it still used maybe as a, as you say, a potential source of Iranian recruitment.

RATNEY: Third column, I suppose, you could–

DUBOWITZ: A third column. But as you say, it has changed. So getting back to that relationship.

RATNEY: So look, whenever that was 2017, the attack on Abqaiq-Khurais, Saudi Aramco energy infrastructure, serious damage, there's been different versions of the story, but it seems like at some level it was an Iranian attack by drones on those facilities. The significance of it in some ways has often been understated. This potentially took offline a significant portion of global oil production.

Aramco is a pretty competent organization, and they got it patched up pretty quickly. But I think that was quite a moment for the Saudis, a sense of how vulnerable they were. And it was particularly true because at the time, the Trump administration at the time kind of shrugged.

DUBOWITZ: And didn't respond.

RATNEY: Yeah, and they said, "Well, we don't buy oil from the Saudis, not our problem." I mean, later Soleimani was assassinated, but I'm not sure that was, I'm not sure the Saudis saw that as–

DUBOWITZ: I begged the White House. It was four months later. I begged the White House after the Soleimani killing, in their list of reasons why they killed Soleimani, there were a whole host of good reasons to kill Soleimani to add to that list, "This was also a response to the Iranian attack on Saudi Aramco, which was attacking not only Saudi oil, but global oil." Since it was four months later, you could say to the Saudis, "We responded, revenge is a dish best serve cold. That took us time, but we had your back." Because thereafter, as you know, all we heard from the Saudis is, "You abandoned us when the Iranians attacked a central pillar of our economy."

RATNEY: And we heard similar things from the Emirates as well at the time. There was real anxiety about this is the one thing that we want a relationship with the United States for. And at the moment that the worst case scenario emerged, the United States was impassive.

DUBOWITZ: By the way, the White House told me that for legal reasons they couldn't add that. I have no idea why that is the case.

RATNEY: That's interesting.

DUBOWITZ: But it's one more example of why there's just too many lawyers in Washington, because I think they would've had profound consequences if we had actually said, "Yeah, one of the reasons we took Soleimani out was because of the attack on Saudi and global oil. And by the way, the United States, we do have your back."

RATNEY: I should say, so I think that was a big turning point in a couple of ways. One, keep in mind it was also a period in which the Saudis and others were sort of more overtly belligerent about Iran, and it was a period where MBS was taking control and had much more – it was a period where they were kind of getting famous for bad things, including the escalation of the war in Yemen and the Saad Hariri case, and Khashoggi, and a whole range of things.

And at that point, I think the Saudi leadership said a lot of this kind of regional belligerence isn't serving them that well. They're not sure if the United States is totally with them. And by the way, they're embarking on Vision 2030, this huge transformation, which really depends on not stoking tensions in the region. It really depends on–

DUBOWITZ: And the Houthis are firing, I mean, missiles and drones at Saudi Arabia. So you imagine you're building mega- and giga-projects and are going to get destroyed by Houthi missiles.

RATNEY: So the whole mentality changed and with it, their approach to the Iranians, so the Saudis went from this period where they were trying to shape the region, to this region where – this period where they just wanted to keep the region as far away as possible, and that meant some realistic sense that they weren't going to solve any of these conflicts. They weren't going to change the Iranian regime's ideology. They weren't going to, whatever, get Hezbollah out of Lebanon at that point. They just wanted to keep all these folks out of their hair.

And so gradually it took some time, but eventually they embarked on this diplomacy with the Houthis directly to just say, "We don't love you, but you know what? We're not going to fix this right now. We just want to keep those rockets and drones from coming into Saudi Arabia and dissuading tourists and investors and visitors, all sorts from coming."

DUBOWITZ: Though they were going into the Red Sea and ultimately got fired there later.

RATNEY: After October 7th, that there was a separate dynamic that emerged that we can talk a little bit about. But at the time, it was essentially they just don't want a war. They don't want a shooting a war with Yemen, not at a moment where they're desperate to try to get to change the impression of Saudi Arabia, turn it into a safe place where investors can come and tourists can visit. And they were somewhat successful at that.

And with that changed their approach to the Iranians. So remember it was probably two and a half, three years ago where they reestablished diplomatic relations with the Iranians.

DUBOWITZ: With Chinese mediation.

RATNEY: With Chinese mediation. Now, truth be told, they had had a diplomatic relationship with Iran until maybe six or seven years earlier, and there was this attack on, I think, the Saudi consulate in Isfahan, if I'm not mistaken, and that led a rupture in the relationship and a long period of even greater tension. At some point the Saudis said, "Look, we're not going to fix this. We're not going to change. We would love to change Iranian ideology, but it's not going to happen, maybe in generational terms. For the moment, we just want to keep them out of our hair, and we have an imperfect set of tools. This one tool we have is some kind of detente with them."

So they reestablished diplomatic relations with them, with the sense that what they wanted from Iran was to keep the Iranian sponsorship of these proxies and other nefarious groups out of their hair. I think the Iranians probably wanted, it seems like the big thing at the time the Iranians wanted was an end to funding for this Saudi-funded media outlet.

DUBOWITZ: Well, actually, I was going to ask you about that. I found this, I was in Riyadh and I was talking to senior Saudi official and I, at that time, and I said, "What was the number one demand from the Iranians as part of this reconciliation," thinking that there were many things. Stop buying U.S. weapons, or blow up the Abraham Accords by putting pressure on the Bahrainis, or certainly don't normalize with the Israelis or I mean, you can imagine a whole host of things that the Iranians would ask for.

And the senior Saudi officials said to me, is this, he said, "They asked me to stop funding Iran International," which is the opposition channel broadcast or based in London, which has actually been quite effective at exposing regime corruption, and human rights abuses, and repression, etc.

RATNEY: This is almost like proof that it's effective.

DUBOWITZ: Which was great proof it was effective. It was like, "Wow, talk about ROI [return on investment]." And of course, the Saudi response was, "First of all, that's not Saudi government funded. There's some Saudi private investor who funds it or funds part of it. And so we don't really have any control over that." I believe that investor has kept funding it.

RATNEY: It's still there as far as I know. But the Chinese were the sort of convener, and at the time it was sort of eyebrow raising, I guess. But I have to say, I looked at it, like I said, we couldn't do it. We didn't have a relationship with the Iranians. The Chinese, wouldn't be a worst thing in the world to have them get some skin in the game because they have a vested interest in the stability of the region as well.

The Chinese were not historically, as you probably know, heavily involved in the Middle East. They didn't have a lot of experience with this. We would ask the Chinese, I would ask them in Riyadh, "So we don't know that much about this deal, what happens if the Iranians don't live up to whatever it was that they agreed with?" And they never had a great answer because the idea that they were the convener, I don't think they were ever the guarantor.

DUBOWITZ: That's interesting. I think the perception, or at least the conventional wisdom on this is that the Chinese were their enforcement mechanism. So the one country that could tell the Iranians, “No, or there will be consequences,” was actually China. We couldn't do it and weren't prepared to do it, and there was no one else who would step in, the Russians or anyone else, but Tehran wouldn't mess with Beijing. You think that was overblown?

RATNEY: Yes, for sure. I mean, the proof is the one thing the Saudis wanted is they didn't want Iranian support for any of these proxy groups, particularly the Houthis. And it never seemed to stop. And this was the example that we would give to the Chinese. The Houthis are still at it, and as far as we know, there's still weapon-smuggling, all this sort of stuff, what are you guys going to do about it? And the best you would get is, "It would be worse if we weren't involved." Hard to quibble, but I don't know. Again, my own sense at the time was they were the convener, not an enforcement mechanism.

DUBOWITZ: So you weren't worried or the administration wasn't worried at the time that this was China asserting itself in the Middle East, and particularly with respect to Saudi Arabia starting to present the Saudis with an alternative to the relationship with the United States, which it could translate into military and economic and political benefits for Beijing.

RATNEY: Yeah, for sure. And as I think about it, our competition with China on all those levels is global, and it manifests itself at least as much in the Gulf as it does anywhere in the world. And we would have our eye on it, commercial competition, Chinese ambitions to have some a security-military foothold, particularly in the Red Sea. These are things we would watch very, very carefully, and we would think, “well, China's never been very active diplomatically in the Middle East.” It would occasionally have envoys, but it was just too far afield for them. And here, they're actually becoming more involved in it.

Was it worrisome? I think at the time the sense was Saudi-Iranian de-escalation is not a bad thing. Again, imperfect. But if it has some effect on keeping rockets and drones and missiles out of the kingdom and the Emirates and elsewhere, that's for the good. If the outward belligerence that led to an actual attack on Saudi energy infrastructure, if that is no longer in the cards, that's for the good. So I think the sense at the time was their détente was probably in our interest and that the fact that it was the Chinese that shepherded it, probably not the worst thing in the world.

DUBOWITZ: I could almost see a Chinese diplomat saying to an Iranian diplomat, "Look, here's the deal. Stop firing rockets and drones at Saudi Arabia. Stop instructing the Houthis to target Saudi ships. Stop trying to bring down the Kingdom, but in exchange, direct all your fire at Israel." So just move the front, and in a sense that's what they did.

RATNEY: Yeah, I do think the Chinese, one of the things they do want is just, and they share it with the Saudis, honestly, it's just a desire – the absence of conflict. The Saudis depend upon an absence of conflict to achieve Vision 2030. And I think for the Chinese as well, they obviously have their own strategic objectives including expansion of their strategic footprint. But I think at root, they kind of like the idea of just stopping these wars.

When the Houthis started targeting Israel, and you recall it was after October 7th, that was initially what the Houthis were trying to do. I think they felt early on that they were unsuccessful in doing it and they turned their attention to commercial shipping, but they never lost – they never got Israel out of their sights. I don't think the Chinese liked the idea of the Houthis.

Again, I never had a conversation with them about it. It was just my sense. I'm not sure they would be thrilled with the idea of the Houthis attacking Israel, not because of any kind of ideological affinity or opposition, but they just don't want more conflict in a region that they depend on for their own kind of commercial transactions.

DUBOWITZ: Including oil. I mean, why build in a risk premium into oil prices?

RATNEY: Like oil from Saudis and then transit of a lot of those ships that are going through the Suez, were going through the Suez Canal, were Chinese ships or Chinese cargo. So I think the Chinese shared an interest in de-escalation, and I think in a way that fit with where the Saudis were at the moment. I think the Saudis and the Chinese both realized this is an imperfect tool. It's not going to solve any of these problems, but if they can just turn down the heat a little bit, it's in everybody's interest.

DUBOWITZ: So, we're looking at the Abraham Accords, obviously, really a game changer in the region in many respects. But of course the big prize was always Saudi-Israel-U.S. normalization, because let's face it, there was a time where the Saudi-U.S. relationship had to normalize.

RATNEY: Yeah.

DUBOWITZ: It was under a lot of tension, particularly during the Biden administration, post-Khashoggi, and calling MBS a pariah and it's a pariah kingdom, etc.

So there was some tense times, and I'm sure you had to deal with that, but it seemed like we were on the path for Saudi-Israeli normalization, and that clearly was a threat to the Islamic Republic. And recent intelligence that the IDF has found in Gaza has sort of confirmed or at least provided more evidence for that thesis that, at least from Hamas's perspective, one of the reasons for the October 7th attack was to blow up the Saudi-Israel relationship. What do you make of that?

RATNEY: It's interesting. I was sort of dubious of that at first, because I felt like it was always Hamas's objective to do as much damage to Israel as possible. It was always Iran's objective to support them and their ability to do that. And I thought that the amount of time that it took Hamas and the Iranians and whatever else, Islamic Jihad, to plan that far predated any talk or even the prospect of normalization.

So I thought, well, in a way it didn't matter because the end result was the same, but I was dubious that it was a specific kind of choice in order to try to scuttle normalization. Frankly, again, it wouldn't have surprised me if that were the case. And then some of the stuff that I've read publicly suggests that much more explicitly that that was the case. So again, it sounds like that's what happened.

In a way, it's sort of a moot point because the net effect of it was the same. Like Hamas, I don't want to say they got what they wanted, but they certainly managed to put normalization on the back burner for a while in the sense the Iranians got that as well. But I have to say, based on what's happened since October 7th, I think it only reinforced the importance of the thing that the Saudis wanted out of a normalization deal, which was mutual defense treaty with the United States.

There was a lot of talk after October 7th, “October 7th, put normalization on ice” or “it's off the table now.” I think the basic calculus never changed, which was normalization with Israel as a price that we would pay for the thing that we really want, which is a treaty with the United States. Because at the end of the day, Saudi Arabia needs to live forever in that part of the world.

And Iran, no prospect of any change in their behavior anytime soon. We'd like clarity about our relationship with the United States. We don't want to have to go through what we did in 2017 again when there was a fundamental threat to the country and we didn't know what to expect from the United States, and in fact, the United States didn’t really do anything. So I think the value of it, and particularly after, is it April and then October, those Iranian attacks on Israel, including with some long-range ballistic missiles.

DUBOWITZ: Probably about 400.

RATNEY: And I think the Saudis probably looked at that and said, "If those were directed at the kingdom and not at Israel, they'd be in a world of hurt. "

DUBOWITZ: And maybe integrated air defense was probably a good idea. We'd like to be part of that.

RATNEY: For sure, absolutely. And so integrated air defense, including with obviously the whole region and a clarity of expectations from the United States.

DUBOWITZ: Do you think a U.S.-Saudi defense treaty is still on the table and that it doesn't require normalization with Israel? The politics in Washington are such, the strategic interests between Riyadh and Washington are such that this will get done, it'll get ratified in the Senate, 67 senators, whether or not the Saudis actually do a deal with the Israelis.

RATNEY: I don't know. I have doubts about it. The logic was always that to get 67 votes, including, it would've to be how many Democrats? Probably 18 or something. Because you have a–

DUBOWITZ: 53 Republicans, so you'll need 14 Democrats at least.

RATNEY: But some Democrats, certainly.

DUBOWITZ: I mean you might not get all the Republicans, you might not get all 53. The calculation was different under the Biden administration. But I think the calculation today is can Trump get all 53 and another 14 Democrats to get to 67 for the U.S.-Saudi defense treaty?

RATNEY: And the theory was in order to get to 67, you need something for everybody. You got to show this is in our interest, it's in Saudi's interest, it's in Israel's interest, and it's in the Palestinian's interest. And for that you need a package. And we would get asked all the time whether you could peel away parts of this.

There's a defense cooperation agreement we were negotiating, and I'm sure they – I imagine they discussed it in Riyadh a couple of weeks ago. I could imagine some kind of a DCA [Defense Cooperation Agreement] enhanced military relationship, like–

DUBOWITZ: Sort of a major defense partner like we have with the Indians where we declared the Indians a major defense partner, and then we laid on top of that sort of congressional expedited approval on military sales or something short of a treaty.

RATNEY: And we did something with Bahrain as well the year before, something short of a treaty that lends clarity about defense sales, which is something that they want. Frankly, we want it too, but it's short of something that would require Senate ratification. I could imagine that, but a full-on treaty like we have with Korea or Japan, that would require Senate ratification. And my sense is still that you would need a package deal that has something for everybody.

I don't think it's out of the question. I think for the moment it's pretty tough just given where we are with Israeli politics and the status of the Gaza war and how poisonous that's become the region. But at a moment where we're past all of that, I'd like to think we could get back to it.

DUBOWITZ: Michael, I want to ask you about that package because I think we can tie together some interesting threads. So as part of that package, as I recall or have read, the Saudis have been very interested in a nuclear element to that package. Saudis have made it clear they would like a robust civilian nuclear program. They're very interested in exploiting whatever uranium reserves they have or don't have. I guess that's a topic of much dispute.

But they've insisted that whatever the Iranians get or have gotten, they want that too, which means enrichment capability on Saudi soil. Where do you think things stand with that today? Is that still the quid pro quo here, that Trump administration, whenever you negotiate with Iranians in Oman, whatever nuclear deal, whatever enrichment capability you concede or don't concede, we're going to have the same thing?

RATNEY: Yeah. Look, I think they're going to have their eyes clearly on what it is we agree to with the Iranians and they see a U.S. agreement to any amount of Iranian enrichment capability as sort of us granting them the right to do that. And you could quibble about the words and whether we're actually giving – whether we have the ability to give anybody the right to do anything. But that's certainly the perception.

I think where they started, where the Saudis started, was they want a civil nuclear industry. They feel like they have uranium. I don't know how much uranium they have. They have some, and they want to start with the uranium and they want to end up with nuclear power generation, and they want everything in between. So for us, in terms of proliferation concerns, we can't object to somebody mining their own uranium. That's whatever they want to do.

We can't object to them building nuclear power plants. We would love a U.S. company to be the one that builds it. It's the in-between part that's tricky.

DUBOWITZ: Well, especially when we've insisted and have gotten commitments from the Emiratis to the gold standard, where the Emiratis have a civilian nuclear program that generates 25% of their electricity. By the way, they spent $20 billion for that. They've pledged to have no enrichment or reprocessing. They've honored that pledge, as have 22 other countries for total of 23 countries. So it would seem, again, I've always seemed ironic that we've insisted that our allies adhere to the gold standard, and yet we've given Khamenei the Iran standard.

RATNEY: So Saudis are quick to point that out, as you could imagine. We'll negotiate copiously with partners and then we'll just grant this ability. So look, the middle part is the toughest part, enrichment. It occurred to me at one point, you probably know a lot more about this than I do. I don't think any country has ever exported enrichment capability except illicitly.

DUBOWITZ: Correct.

RATNEY: So the idea that even the Russians who we buy nuclear fuel from, even the French, even the Chinese, none of them have actually exported an enrichment capability and to build an enrichment–

DUBOWITZ: A good question on the Chinese, I would have to look into that.

RATNEY: I don't know.

DUBOWITZ: I thought no, the other ones for sure not. The Chinese have certainly been engaged in nuclear proliferation. I don't know if they've exported a full enrichment capability, but they've certainly been bad actors in the proliferation context.

RATNEY: And my understanding is the only country that has a commercially viable enrichment capacity is Russia because they inherited all of these facilities. They amortized the cost from the Soviet era. So they still have it. We end up buying fuel from them, right?

To start from scratch and say – what I'm saying is there's a big difference between saying you have the right or the intention to develop an enrichment capacity and actually doing it. To actually build an enrichment capacity that's viable to actually produce the fuel for an industry, it's billions and billions of dollars and years and years and years.

DUBOWITZ: That's why the Emirati smartly said, "Why would we do that? We can buy our fuel rods from abroad, we can stick them with fuel in our reactors. We can generate 25% of our electricity needs. It will cost us $20 billion." The Iranians have actually spent hundreds of billions of dollars in direct and indirect costs, and they are currently producing 3% of their electricity needs –

RATNEY: From nuclear fuel, from a nuclear power plant.

DUBOWITZ: From enriched uranium for their civilian energy. So I mean, it makes no commercial sense. It's actually nonsense.

RATNEY: So this is a question, do you really want to spend tens of billions to build up power plants, like hundreds of billions to actually build enrichment capacity? And in the time that it would take to do that, even if you could amass the money and you had the patience, it seems to me, not an expert, but it seems to me the whole nature of the nuclear power industry is moving on from these large plants that power cities or whole regions to small modular reactors, with a different kind of fuel, power much smaller areas that would seem like where you want to invest.

DUBOWITZ: That's where you want to go.

RATNEY: And so in the meantime, if that's where the industry, they're not there yet, they could be there in 5 or 10 years, you won't even have your enrichment facility in 5 or 10 years.

DUBOWITZ: Let's face facts. The only reason the Iranians want enrichment capabilities to build nuclear weapons. The only reason the Saudis want enrichment capabilities, they want that capability that if the Iranians get it to build nuclear weapons, they can build nuclear weapons. Because I don't think they're confident that if they call up the Pakistanis, whose nuclear weapons program they help fund, and say, "Please send us some nuclear warheads," that Islamabad is going to respond well to that request. So both sides want this for nuclear weapons. And I mean this notion that this is all about civilian energy is a ruse.

RATNEY: Here's the part where even though I'm not a U.S. government official anymore, it gets very awkward, this conversation.

(LAUGHTER)

DUBOWITZ: Completely understand. Anything you say we will edit out.

(LAUGHTER)

But I want to shift from nuclear. Very interesting, we spent a lot of time on this podcast talking about nuclear. I want to go back to the Houthis, because for a long time in Washington, I always thought that whole – the Yemen war was a bit of a blind spot for policy experts and policymakers. I mean, obviously those in the administration, those in the region like you were dealing with it.

But it really, for some, the Houthis just came from nowhere. I mean this is all just a ragtag militia that with Iranian IRGC [Islamic Revolutionary Guard Corps] training, funding, Hezbollah training, all of a sudden has emerged as a significant Iranian proxy, capable of firing missiles 2,000 kilometers, approximately, striking Ben Gurion Airport and shutting down air travel. And this is happening every night, every second night. And prior to that, they were doing the same thing to the Saudis and Emiratis.

I mean, it's quite a remarkable transformation. And you've seen that you've lived it and you've been involved in it. How do you address this?

RATNEY: And I should tell you, my wife, who's a diplomat, was at our embassy in Sanaa in 2015, she was leading the normal life of a diplomat until they had to evacuate in the middle of the night, because the Houthis went from this sort of, I don't know what you want to call it, insurgent group to controlling the capitol. And it happened with just remarkable speed.

And in the period since then, they are – it's hard to imagine another parallel with a group that went from sort of an insurgency to the dominant movement in the country with such speed and with such an ability. It's such a resourceful group. It's truly remarkable to the point where we as shorthand tend to lump them in with other proxies, Iranian proxies in Iraq and in Yemen and so forth.

They certainly don't think of themselves as an Iranian proxy, and in the sense they think of themselves as another kind of Islamic Republic. They think of themselves as another kind of pole in the Islamic world, just like, "There's one in Tehran, but here, there's one in Sanaa as well." Their self-image and their ambitions are much greater than just being a proxy.

And certainly they take lots and lots of support from the Iranians and the Iranians have generously given that support, but they've also been remarkable innovators as well, and ability – even in the face of attacks from the Saudi led coalition and later attacks from us directly, they've been remarkably resourceful in not just hiding these weapons, but continuing to develop new ones and finding ways to continue to threaten commercial shipping, threaten Israel, threatening navigation even further afield.

And it has been just a thorny problem because on the one hand, even the Saudis decided at one point that, "We just have to de-escalate like, this isn't working. We can't bomb them to smithereens. It's not working." It's also led to as extraordinary civilian casualties that were just unacceptable.

DUBOWITZ: I mean, I do find it ironic. I have to say, Michael, I sat through many Saudi briefings. I thought the Saudi briefings were interesting in that they would show you Hezbollah guys, Lebanese accents in Yemen, training the Houthis on the latest Hezbollah tactics, including how to use human shields, and IRGC commanders and all the training that they went through. On the other hand, they would be telling you about the meticulous steps they were taking in order to limit civilian casualties as they were bombing the Houthis, but blowing up mosques and schools.

Now, to be fair to the Saudis, the Houthis were using mosques and schools and civilians as human shields. The irony I find is when the Saudis come out in Saudi Foreign Ministry, usually blasting the Israelis about what's going on in Gaza, because Hamas is doing the exact same thing as the Houthis did against Saudi Arabia. I mean the exact same tactics, no surprise, because they got similar training and similar techniques and have been provided similar weaponry and the same battlefield tactics and experience. So for me, it's a little – the Middle East is –

RATNEY: Welcome to the Middle East.

DUBOWITZ: Welcome to the Middle East.

(LAUGHTER)

RATNEY: But look, I mean, but even the Saudis, partly because we were getting impatient with the whole thing, partly because they couldn't reconcile the fact that they were unable to just stop this Houthi threat at a time when they were trying to attract investors and develop a tourism industry. They just needed to stop it.

DUBOWITZ: And what was the Houthi threat to Saudi Arabia? I mean, why was the kingdom so concerned about this terrorist organization in Yemen that even had the potential to develop into an Islamic state or an Islamic republic? What was the nature of the threat that they saw?

RATNEY: Rockets, drones, attacks on their energy infrastructure, on their cities, on their airports, on their tourist destinations in a way that could just scuttle these ambitions. Look, the Saudis, their ambitions are admirable. They really need two things. They want to keep oil prices high enough to pay for it all, and they want to keep conflict away to not dissuade people.

And it's pretty easy, right? You can put billions and billions of dollars into energy infrastructure or hotels or new airports, and all it takes is one rocket, and suddenly no one's interested in going there anymore.

The Saudi Factor

July 23, 2025
Featuring Ambassador Michael Ratney
Hosted by Mark Dubowitz

DUBOWITZ: I remember being in Jeddah at the Grand Prix driving to the race, and of course, the Houthis decided that would be a great day to fire rockets in order to drive everybody away. Now, they didn't succeed, but you could see easily people driving back to the hotel, going into the basements, end of race. And it seems to me – it is interesting.

I hadn't really thought of that until you said it, but it really is a kind of ring of fire strategy. The way the Iranians built a ring of fire around Israel in Lebanon, in Gaza, in the West Bank, the attempt in Syria, similar to what the Iranians were trying to do with Saudi Arabia. I mean, Yemen would've been an important element of a ring of fire around the kingdom.

RATNEY: And it's fundamental for the Saudis, right? The idea that they would have this persistent threat and not a theoretical threat. These guys actually fired rockets and drones and missiles at them that just, and they can't do anything about it. So they tried bombing them to smithereens, didn't solve the problem. They worked diplomatically.

In fact, much of the period where I was in Saudi, they had this roadmap they had, which was imperfect. It was tended to marginalize the Yemeni government that the Saudis, we, had supported and recognized, but nonetheless, it solved the immediate problem was, kept these rockets and drones out of their hair. And after October 7th, that changed again. So they weren't – didn't start out threatening Saudi, but they started threatening Saudi.

And if you listen to some of the bellicose rhetoric from Abdul-Malik al-Houthi it became very belligerent and directed at Saudi Arabia, kind of, threats that if Saudi helps us or others mitigate this threat against shipping in Gulf or attacks Yemen, Yemenis threatened to attack Saudi Arabia. It became unendurable.

So you had attacks on commercial shipping. You had the potential for attacks on, I mean, if they ever really laid target on a U.S. naval vessel, it would've forced our hands to get more involved, even at a time where we weren't necessarily, had made the decision yet to do that. They were threatening Israel at first unsuccessfully and later successfully, and kind of remarkably that they could do that. And this belligerent rhetoric directed against Saudi Arabia. It became the point where even for the advocates of de-escalation, it became unendurable.

And so that's when towards the end of the Biden administration, the conversation shifted from purely de-escalation to how we could take a more muscular approach to the Houthis. I was a part of those. I was an advocate of it at the time because I saw the effect of it. These guys were getting away with murder. They were affecting global shipping and commerce, insurance rates of commercial vessels. They were threatening allies.

They were wreaking havoc, and they were doing it at remarkably low costs. And they were in some ways doing it with our adversaries, certainly with the Iranians. But then there was indications that the Russians were getting involved in it. We were wondering whether the Chinese were going to get involved as well. Certainly groups like Hezbollah and others were, saw as an opportunity, unendurable.

And we've seen how hard it is to mitigate these threats. What started out initially was additional attacks on weapons emplacements. It's like whack-a-mole. You could strike a rocket launcher that's on the back of a truck or it disappears, or they find another one. There's hundreds of them. You could try to develop a more coherent approach to figuring out where this stuff is and who's making these decisions. And even then, that was really the focus is how to up our game on…

DUBOWITZ: But what about one decimating leadership that seems to work well for the Israelis against Hezbollah and to some extent against Hamas. And two, is instead of spending hundreds of millions of dollars to shoot down an arrow that's cost $100,000, hit the archer. And in this case, the archer being the IRGC with spy ships, providing weapons, going after ports.

RATNEY: So that's a separate issue, which is to make Iran pay a price for it, and I think that's for any administration that's a huge political decision whether we want to embark on that. But the Houthis, without getting into what would actually be sensitive information, let me just say it, there's no shortage of people that came to us and said, with respect to the Houthis, "What you really ought to do is just..."

DUBOWITZ: Dot, dot, dot.

RATNEY: And it wasn't for lack of trying, but there was a clear discovery at the end of the Biden administration, and even for the past few months of just how hard that is. Much harder than people think. Worth trying for sure, but just much harder than people think. And I guess it's a testament to the resilience of those guys. The Houthis are just–

DUBOWITZ: Yeah. But listen, it's fair. And I think it's good to have a realistic assessment of your enemy, because I think we talk down Houthi capabilities for too long. I think the Saudis and the Emiratis were really trying to warn us that this was serious and the trajectory of capabilities was only going to increase.

RATNEY: They've innovated. They're innovators on their own. They've taken stuff that they get from the Iranians and they turn it into more effective weapons. And for a group that we saw as just this tribal militia that came down from the mountains and underestimated, to be sure, they've become a force to reckon with in a way that has in their own ambitions. And you just listen to the rhetoric from their leadership, it transcends this notion that they're somehow a pawn of the Iranians. I think they resent this notion that they're somehow a proxy.

DUBOWITZ: I mean, I remember this debate about Hamas, about Islamic Jihad, about Hezbollah, about the Iraqi Shiite militias. I mean, we always have this debate in Washington, are they a proxy? Are they an ally? To what extent are they autonomous? Do they taking into account local conditions? Are they taking financing and weapons and training from the Iranians, but they're innovating?

I mean, I think it's a good debate. It's a good discussion. But there was a time, it wasn't very long ago, where we thought all of this about Hezbollah. About how formidable Hezbollah is, and you mentioned the Biden administration's view about de-escalation. I think the Israelis kind of turned that on its head. Their view was we escalate to de-escalate, and they certainly have done that against Hezbollah decimating the leadership, taking out Radwan, 40 to 70% of rockets and missiles that have been destroyed depending on the range.

And they've done that to Hamas. I mean, with all of the devastation in Gaza, when you look at the Hamas leadership and battalions, they've also been destroyed. I mean, that speaks to why I think there may be a law of diminishing returns kicking in Gaza and maybe time to move to a ceasefire. But these terrorist organizations that have become formidable terror armies in really a short period of time have been severely degraded or decimated.

RATNEY: Look, what Israel did to Hezbollah is historically remarkable and something that I think people still scratch their head, because we had believed for so long that Hezbollah was so formidable and the risk was so great that it wasn't worth kicking that hornet's nest, and then they kicked the hornet's nest. They had a lot of intel and they had a lot of planning, and they did a remarkable job. And it is still remarkable the damage that they did to Hezbollah in a short period of time.

I wish I could say there's a lesson to be drawn from that for other Iranian-supported groups elsewhere in the region. Certainly, if you look at the Houthis and you think, well, the most important thing, we don't want the Houthis ever to get to the point of their potency anywhere near where Hezbollah was. And I guess their capability has been degraded to some degree, and there's been some kind of attrition of some of their key people and so forth.

But nonetheless, so they've kept them from becoming another Hezbollah, but they haven't gotten rid of them completely, and they haven't done the degree – we have not done the degree of damage to Houthis that the Israelis have done to Hezbollah. Certainly not in the sense of just utterly immobilizing their ability to function as the group that Hezbollah was even a year ago.

DUBOWITZ: And is that a question of lack of focus, of intel collection resources, of willingness? I mean, what the Israelis demonstrated, at least to me post October 6th, because by the way, pre-October 7th, I should say on October 6th, the Israelis had – also, their paradigm was, "We've got this Hamas terror army in Gaza, which we will try to contain and deter. We've got this Hezbollah terror army in Lebanon, which we'll try to contain and deter. Both are formidable." I think the Israelis underestimated Hamas's capabilities. Maybe they overestimated Hezbollah's capabilities, "But we're going to live with this kind of deterrence containment model and – around our borders."

And after October 7th, the paradigm changed for obvious reasons why. And then they had spent a lot of time preparing for Hezbollah, less time preparing for Hamas, and have gone in and really decimated, or at least let's say severely degraded both these terror armies.

Are there lessons we can draw from that for how we can deal with the Houthis? I mean, you served in Lebanon and you saw this history and you saw Hezbollah capturing the Lebanese state and developing this terror army and this perception that we couldn't do anything but maybe deter them, contain them, constrain them, find moderates within the Hezbollah leadership, all this sort of –

RATNEY: That, I never thought.

DUBOWITZ: – bad paradigms. You never thought that. I'm glad you never thought that. I know some people who did. But at the end of the day, what really mattered was military force, was good intelligence and the willingness to take risks and the willingness to go and do what was necessary and maybe give Lebanon a chance for the first time in decades maybe to actually emerge –

RATNEY: God willing.

DUBOWITZ: – from the grip of Hezbollah and Iran and become a functioning, decent state again.

RATNEY: Look, unfortunately, I think the biggest lesson is a depressing one, because no one should think that the decimation of Hezbollah was just the result of a policy decision that we can't live with these guys anymore. Let's push the button and start bombing. That timeline started years and years earlier, even the pager operation.

DUBOWITZ: A decade.

RATNEY: A huge amount of time.

DUBOWITZ: And a lot of this, after the 2006 war between Israel and Hezbollah, where the IDF really realized that war had not gone the way that we had wanted it to go, and now we're going to devote serious resources for capability and intelligence collection.

RATNEY: So what everyone looked at as a period of several weeks of Israeli military action following the explosion of all those pagers was actually years and years and years of intel collection preparation. So that was hard, hard work, and it was what the Israelis historically had been very, very good at, but even they took years before they decided the time was right.

And I'm sure even they were weighing it against the kind of narrative out there that you kick that hornet and then suddenly we could be in a world of hurt. They were keenly aware of the potential risks, but they finally decided, “Let's use all of that information that we've collected for so many years. We just can't keep going with these guys.”

We don't have that with the Houthis. The Houthis are different, the country's different, the geography's different, the nature of the society. Our ability to interact with it, it's all different in a lot of ways. But the big difference is we don't have a decade of preparation under our belt. And unfortunately, nor do we feel like we –

DUBOWITZ: And Israelis don't either.

RATNEY: – and Israelis don't either, nor do I feel like we feel like we can wait a decade. No one's ready to say, "This situation's terrible. We hate these attacks on commercial shipping. We hate these attacks on Israel. We hate the threat to the Saudis, but we just got to wait a decade before we do anything about it."

That's where I was last year, which is, yeah, it's imperfect, but we've reached the point where, and I know all of the arguments against military action, I understand the humanitarian situation, I understand the imperfection of our tools, but it got to the point where you can't not do something. Otherwise, you're just sitting there while – and as I said a moment ago, if the Houthis at one point hit a U.S. naval vessel, then suddenly your hand is forced.

DUBOWITZ: But President Trump seems to have cut a deal. I mean, he essentially has cut a deal where the Houthis won't fire on commercial shipping won't go after the U.S. Navy.

RATNEY: Is your sense that that has been upheld by the Houthis?

DUBOWITZ: Well, I'm not sure it has, but it seems to be the US, the administration has decided for a number of reasons, including saving systems and ordinance for other uses, that they're going to at least diminish or end what was a series of escalating and pretty potent attacks against Houthi leadership and infrastructure over a couple of months. And that seems to have been at least, I don't know, permanently, but at least temporarily suspended.

RATNEY: It does seem like it's also part of Trump's complicated relationship with Israel right now.

DUBOWITZ: Maybe. Maybe it's part of the complicated relationship, or maybe it's just Pentagon saying, "Look, I mean, we can continue pounding the Houthis, but this is ordinance that we really need. You're safe because we might have a conflict in the Taiwan Straits with the Chinese, and maybe we don't want to be exhausting ourselves and expending all these resources on the Houthis." Meanwhile –

RATNEY: And the Houthis are buying drones you could get on Amazon for a few hundred dollars.

DUBOWITZ: Well, I mean, I think they have really demonstrated, I think as the Ukrainians have demonstrated, as the Israelis have demonstrated, the changing nature of warfare, which I think is a really interesting discussion maybe for another day. But getting back to the Saudis, I heard from Saudi friends that after they took out – after the beeper attack and after they took out Nasrallah, they were high-fiving in the royal palace.

RATNEY: Oh, I'm sure, I'm sure. All over the Gulf, I'm sure people were delighted.

DUBOWITZ: All over the Gulf.

RATNEY: For sure.

DUBOWITZ: I mean, they may be condemning the Israelis publicly, but privately they were saying –

RATNEY: And even that, I think the public statements were pretty measured.

DUBOWITZ: On Hezbollah?

RATNEY: Yeah.

DUBOWITZ: But I mean more particularly on Gaza and Hamas and the war there.

RATNEY: I mean, I think if the war in Gaza had not become so horrific for so long, I think the narrative regionally about Lebanon would be very, very different. Much, much more positive in a sense.

DUBOWITZ: I mean, listen, all these interesting counterfactuals, I am not a military expert or have particularly valuable insights into this. I don't know actually how you go after a terror army that it's embedded itself in a civilian population for over a decade and a half, has built infrastructure, built tunnels, put the weaponry in schools and under homes, and is deliberately using civilians as human shields.

I don't actually know how you fight that without enormous civilian casualties. And again, even the casualty numbers, who knows? I've seen one-to-one, one and a half to one. I think the casualty numbers historically compared to even our wars in Iraq and Afghanistan, and not to mention other wars, World War II, etc., have been historically low in terms of civilian casualties, that doesn't in any way minimize the suffering that's going on.

And the images, by the way, which I think you're alluding to, Michael, which are being broadcast around the Arab world and on *Al Jazeera* and other stations and are really turning public sentiment inside Saudi Arabia against Israel. Because when I was there before October 7th, the many times I was there and you were talking to the average Saudi about Israel, it's actually an interesting discussion. I mean, they were not hostile.

RATNEY: No.

DUBOWITZ: They were actually quite open to the idea of bringing Israelis into the fold. And many Israelis, with foreign passports, were showing up at investor events in Riyadh. And I noticed just on an anecdotal level, great relationships. I mean, they were getting along famously with their Saudi cousins.

RATNEY: Look, I think from the Saudi perspective, the Gaza war is just a complete losing proposition. I think their view from the very beginning was, all Israel's going to do is kill a lot of civilians, destroy a lot of property.

DUBOWITZ: And make the mistakes we made in Yemen.

RATNEY: And their big concern, stoke radicalization in the region, inspire recruitment by jihadi groups and others that just at some point might turn their attention on the Saudis. They said, "All it's going to do is all that bad stuff." And at the end of the day, they'll tell you they're not going to get rid of Hamas, and in the meantime, it increases public sentiment for the Palestinian cause.

It puts off the prospect of the thing that they want, which is this big deal, losing proposition. And they would say from the very beginning, “Israel's got to find a way to declare victory and stop because it's just not going to get better for them.”

DUBOWITZ: I mean, every Saudi I spoke to said that to me when I said to them, "So what's your alternative?" They often didn't have one.

RATNEY: Yeah, they don't. And in a way, maybe that's the nature of the conflict, which is like if your premise is at the end of the day you're not going to get rid of Hamas, then you need some other paradigm to figure out what to do with Gaza. But don't forget, what is their whole paradigm in the region? De-escalation.

They feel like a lot of these conflicts, whether with Yemen or their relationship with the Iranians, or even until Assad's overthrow with Syria, Iraq, you're not going to fix these things, for the Russian-Ukraine war, just got to de-escalate it. It's not going to get any better. You just got to stop the violence.

DUBOWITZ: Yeah.

RATNEY: That was their view with Gaza as well, you're not going to fix this. You're not going to come up with some neat bow you're going to tie around a new paradigm inside of Gaza. Just de-escalate because it's not good for business.

DUBOWITZ: I mean, listen, it's a good paradigm and God bless the Saudis. I hope they don't have to confront what the Israelis confronted. I dare say that if the Houthis invaded Saudi Arabia crossed the border and slaughtered 1,200 Saudis, and raped Saudi women, and carried over 240 Saudi hostages back into Yemen, you know the Saudis better than I do, I don't think that their response will be to de-escalate and to say, "Listen, let's just get back to business. Too bad. Sorry about the death. Sorry about the rape. Sorry about the hostages. Good luck with all of you." I think the Saudi response would be no different than the Israeli response, but again, that's speculative.

RATNEY: Look, it is hard to know. And the fact is that the Israeli-Palestinian conflict is always looked at through a different lens than other conflicts in the region. For whatever reason, a Saudi-Yemen war still seems to a lot of Americans to be a far away thing, but anything that involves Israel and anything that involves the Palestinians, it doesn't seem like a far away thing to a lot of Americans and Europeans and Arabs. They just look at it differently for better or worse. And so what you say may be true, but it doesn't change the fact that that conflict has hung over Saudis and other Arabs' perception of the idea of bringing Israel more into the region, which is what we've always wanted.

DUBOWITZ: That was Ambassador Michael Ratney with a rare window into how Saudi Arabia sees the Islamic Republic of Iran as both a relentless threat and, more recently, a diplomatic puzzle.

The Saudis have spent years countering Iran’s proxies, intercepting missiles, and pushing back on Tehran’s regional ambitions. But now, they’re testing dialogue — cautiously — even as the region reels from the aftershocks of October 7, the stillborn promise of Saudi-Israeli normalization, and as the Islamic Republic reels from the recent 12-Day War with Israel.

Where this goes next depends on more than diplomacy. It depends on deterrence, leadership, and whether the regime in Tehran can truly change — or simply regroup.

Thanks for listening. I’m Mark Dubowitz. This is “The Iran Breakdown.” And we’ll see you next time.