


# Press Briefing by Principal Deputy Press Secretary Josh Earnest, 5/31/2013

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MR. EARNEST: Good afternoon, everybody. It's nice to see you all on this beautiful Friday. Mr. Carney is off chaperoning his daughter's field trip today, so I assume that he's answering a different variety of questions this afternoon, but probably not necessarily fewer questions. So he's doing that today, so that's why I'm here.

I do want to get started with a couple of things I just want to flag for you, both of which you already know about, but I just want to make sure you're aware of the resources we have on this.

The first is, you heard the President talk in the Rose Garden just about 90 minutes ago or so about his commitment to making sure that we don't see student loan interest rates double at the end of next month. So I would make sure that you took a close look at those remarks from the President.

The second thing is we have just posted at WhiteHouse.gov a blog -- a new blog posting, from Jeanne Lambrew and Gene Sperling, here at the White House, about the Medicare Trustees report that was just issued, or at least just made public in the last couple of hours. What the Medicare report indicated was that the life of the Medicare program, since the Affordable Care Act was signed into law, has been extended by nearly a decade.

So that is just another piece of evidence to indicate that the strategy that the President has put forward and has codified into the Affordable Care Act is working; that this idea that we can bend the cost curve, we can -- that by bending the cost curve through the Affordable Care Act, we can lower costs for seniors, we can lower costs for Medicare, and we can reduce the deficit overall.

So that was one piece of data to indicate that we're making some progress on this, and that's something that we find encouraging. There's some more technical details and other pieces of -- there are actually some other more technical things that are also good indications about the future of that program that are included in the blog post, so I strongly commend that to you.

So with that, Tom, we'll let you take the first question today.

Q Josh, I'd like to pursue that report you just mentioned. It also showed that Social Security didn't improve at all; it's still at a 2033 date when it runs out of money. Despite the increased revenues of the government and lowering of the deficit, in the Medicare report that you mention, it showed that a main reason for the slight improvement was a decline in health care costs. And some of that has been due to a low -- a weaker economy -- people spending less money on unnecessary operations like that.

So I wonder if you see any real optimism in both reports, or if you think the fact that, especially with the Social Security, that nothing has improved. Is there any impetus there for the White House to try to reach out and try harder for common ground on both of these subjects?

MR. EARNEST: Well, let me take you to those individually. I think -- let's do your Medicare question first, which I think is -- this is a question that people have been posing for some time, that we have seen since the Affordable Care Act a decline in costs, or at least a -- or, by some measures, a decrease in the rate of growth. And so people have speculated about whether or not this is due to a poor economic climate or if it is due to the impact of the Affordable Care Act.

Now, I do think what is evident over the last four years, we have seen the economy steadily improve and we have seen more aspects of the Affordable Care Act take effect. And so even in the face of an improving economy, and as the Affordable Care Act gets

implemented, we have actually seen that costs are contained in terms of either costs going lower or their rate of growth decreasing.

So the available evidence would indicate that a good portion of that, at least, is attributable to the strategy that the President has pursued in the Affordable Care Act -- that there are a number of things included in the Affordable Care Act that are aimed at bending the cost curve. For example, this is reducing overpayments to hospitals. It is bundling payments in the Medicare program that would increase efficiencies. And it's forcing hospitals and doctors to examine readmission rates. So one of the leading drivers of increasing health care costs are patients that go and see their doctor and then have to be admitted to the hospital for one reason or another.

So we can improve care and reduce costs at the same time. This is having a positive impact on the deficit, and we're doing this all in a way that actually reduces costs overall. And this stands in stark contrast to what Republicans have advocated, which is shifting costs to seniors. So I think this is a pretty strong endorsement of the President's strategy.

I would also readily acknowledge that this is something that we're going to see over time, but all of the indications that we've seen over the course of the last four years are moving in the right direction. But, yes, we would encourage you to grade us over the long term, and we're optimistic about the direction that we're headed.

Now, when it comes to Social Security, that is a different measure. And what this report shows is, actually, it also validates something that the President and other members of this administration have been saying, which is that Social Security is not driving our short-term deficit challenges -- because, as you point out, the trust fund is solvent through 2033, so for another two decades.

That being said, the President believes that Social Security is incredibly important. It has guaranteed retirement with dignity for generations of Americans now, and that is something that should be continued. And the President has identified that as a priority, and the good news is, is that there are many Republicans who have identified that as a priority as well. And I think both sides acknowledge that the way that we will address that problem is by acting in bipartisan fashion to do so. Both sides are committed to do that; the President certainly is. And that's a conversation we'll have.

Q One initiative the President did suggest on that was to change the inflation formula, the chained CPI, which would over time reduce the increases due to inflation. It's gotten very little traction on the Hill from either party. Do you think that -- is he going to keep pushing for that, or is that just one you're not going to work too hard on?

MR. EARNEST: Well, what the President has said about this chained CPI is that this reflects his effort to compromise. So this isn't the President's ideal approach for dealing with some of our deficit challenges, but it is -- it demonstrates a willingness on his part to try to find common ground with Republicans. If we saw a similar effort from Republicans on the other side to try to meet the President halfway when it comes to dealing with our longer-term deficit challenges, then we'd probably be making more progress right now. But we should be clear about what that CPI proposal actually included. And that represented an effort on the part of the President to try to compromise.

Q On the subject of compromise, no sooner had the President talked this morning about student loans than John Boehner on the Hill said --

MR. EARNEST: That's what I'm talking about, right?

Q -- playing politics and that the difference between the two versions weren't that different -- one locks in a rate, the other one changes every year based on economic things. And Boehner says he thinks that can be worked out. Does the White House think there's any common ground in here?

MR. EARNEST: We do think that there's a way for us to work this out, and we're hopeful that we'll be able to reach an agreement with Republicans. There are some significant differences between what Republicans have acted on and what the President supports. Those differences include, under the Republican plan, it doesn't actually lock in the low interest rates for students that would be applying for loans next year. So we're at historically low interest rates. We should lock those in. Under the Republican plan, it would be a variable interest rate. So you could basically see that over the course of the next two or three years, if interest rates do increase, that the interest rates on those loans would increase. It makes sense that we should lock in the low rates.

The Republican plan eliminates safeguards that were in place for lower-income families. It is evident to anybody who is paying attention that in the 21st and in a 21st economy, a college education is going to be critically important for anybody that wants to get into the

middle class. So, trying to make sure that we include safeguards for lower-income families needs to be a priority. That's not included in the Republican plan.

And then the last thing is the Republican plan doesn't necessarily guarantee an affordable repayment plan. The President has put forward this proposal to make sure that we are -- that when students or graduates or families are repaying the loan, that we can cap the repayment at 10 percent of their discretionary income. This will ensure that students and families aren't handicapped by the legacy of a college education, the college education costs.

So there are some differences between what Republicans have put forward and what the President and other Democrats on the Hill, frankly, support. So that said, despite these differences, we are encouraged that House Republicans have taken some action on this. As you'll recall, 12 months ago when we were having this debate, Republicans were refusing to take any action at all and were simply content to allow interest rates to double within a month.

So we're encouraged that the Republicans have changed their posture on this, and certainly willing to enter into a conversation with them about how to address some of these problems that are still embedded here.

Q Did the President and the NATO Secretary General reach any conclusion on how many troops to leave behind in Afghanistan after 2014?

MR. EARNEST: I don't have an update on that meeting. I wouldn't anticipate any announcements along those lines today.

Q And is the President nearing any decision on how many U.S. troops to leave behind?

MR. EARNEST: I don't have any updates for you at this time, Steve.

Q Iran's oil minister says that the sanctions are not having that big of an impact, that they're still able to export a lot of fuel. Is there a need for more sanctions?

MR. EARNEST: Steve, thanks to the leadership of this President and the efforts of our allies and partners around the world, we have put in place a very strict sanctions regime against Iran. And that is all because the international community is united around the principle that Iran needs to live up to their commitments when it comes to their nuclear program.

Now, the Iranian regime may be trying to mislead their own people, but make no mistake about what the facts indicate here. The production of crude oil in Iran has fallen by approximately 700,000 barrels per day since 2012. So in just the last year, we've seen a decrease of 700,000 barrels a day. Iran's oil exports have decreased by more than 1 million barrels per day. The decrease in exports has cost Iran approximately between \$3 billion and \$5 billion in lost revenue each month. We spent a lot of time talking last year about the impact of these sanctions on the currency in Iran. Iran's currency has lost half of its value since the beginning of 2012.

And the inflation rate in Iran is spiraling. According to the official estimates from Iran, inflation has increased 31.5 percent a year. The truth is that data is a little skewed; the truer number may be closer to 40 percent. So there is an effort by the Iranian regime to try to mislead people about the impact of these sanctions. The impact of these sanctions is clear.

But the other important thing for people to understand is there's a way for the Iranian regime to address this. They can live up to their international obligations when it comes to their nuclear program. They can rejoin the international community. And it will alleviate some of the concerns and a lot of the strain that's been placed in the Iranian economy if they're willing to do that. Because the unfortunate thing is of course that it's the Iranian people who are bearing the brunt of this -- and that is unfortunate. It's the responsibility of the regime to step up and actually represent the interests of their people the best.

Q And, lastly, a Michigan woman has been killed in fighting in Syria. Do you have any information about her -- what she was doing there, who she was fighting for?

MR. EARNEST: I've seen those reports, Steve, but I don't have any information about that at hand. You might check with the State Department who may be able to fill you in on that a little bit.

Jon, I'll give you the next one. But if folks in the back want to raise their hands, I'm happy to jump around a little bit today. So while you're thinking of your next question, Jon, I'll give you the next one.

Q Yes, I want to go back to the student loan question. So the House Republicans passed their plan. Has the President had any meetings, any discussions with Republican leaders in the House to try to work out a compromise?

MR. EARNEST: I don't have any specific meetings from the President to read out to you at this point. But as you know, officials at the White House are in regular touch with our counterparts on Capitol Hill. This is something that we've identified as a priority and something we spent a lot of time working on last year. We're pleased to see that some Republicans on Capitol Hill have identified this as a priority, too. So I would anticipate that conversations will continue.

Q Because he's got to get a big event here to put pressure, obviously, on the House Republicans. Are there any negotiations, even not with the President? Any real effort to kind of pick up the phone and talk to them and say, hey, we're partway there but can we work out something?

MR. EARNEST: I don't have any specific secret negotiations to read you into, but there is a genuine effort on the part of people here at the White House to solve this problem. And we're encouraged that there seems to be an interest among Republicans on Capitol Hill to also address this problem. But we'll see. There are some problems that persist here, and we're interested in trying to work with Republicans to solve it.

Q And has the President picked up the phone to talk to Senate Democrats? Because, as I understand it, Senate Democrats haven't moved at all on the President's proposal here, and at least the House Republicans have passed something.

MR. EARNEST: Right. Well, I know that there are a number of measures that are being actively considered by the Senate Democrats -- by the Senate that had been put forward by Senate Democrats. And I know that the House Democrats have been talking about some proposals, too.

Again, I think this is just more evidence we should be able to find some common ground to solve this problem if we have House Republicans who are doing something they don't do very often -- which is actually passing legislation to address a real policy problem; you have Senate Democrats and House Democrats putting forward specific proposals; you have the President with his own specific proposal. There are some differences among these proposals. But the fact that everybody has made this a priority should be encouraging that we can solve this problem before the end of the month.

Q The President is going to be at least a little irritated, though, with the Senate for not -- I mean, we're a month away from these interest rates doubling, and the Senate has not moved forward. They haven't -- it takes time to get legislation passed.

MR. EARNEST: It takes some time. And I think that even members of Congress would say that things take a little longer to get done in Congress than they would like. But the President actually is supportive of the plan that Senate Democrats have put forward. They put forward some -- a common-sense proposal that would address some of the concerns that I laid out at the top.

So we've got some time to work this out and everybody has got some ideas about how to do it, and we'll work through the process to get that done. Either way, we need to get this done before the end of next month.

Let's move to the back a little bit here. Nadya.

Q Thank you, Josh. The White House keeps insisting that President Assad shouldn't be part in any political future of Syria --

MR. EARNEST: That's true.

Q -- yet there is -- people believe that maybe you're open for a little bit of role for him in the transitional government, which is a condition for the opposition to participate, but many people believe, especially the Russians, that it's not going to happen without him. Are you open for him playing any role at all? Can you rule out any role for him to play in the future negotiations?



MR. EARNEST: We have said that Assad must go and that there is no future for him in Syria. And that is not just our opinion, but that would -- that is the will of the Syrian people that they've made clear, and that is for a variety of things, not the least of which is the terrible violence that he's perpetrated on his own people.

So what we have asked is that in the context of these discussions that are underway sort of on both sides to try to get both sides to sit down around the table in Geneva, we've asked the Russians to take some responsibility to exercise the influence they have over the Assad regime to ensure that the negotiators who appear on behalf of the Assad regime are empowered to negotiate the full transfer of executive authority from the Assad regime to a transitional government.

That is -- those empowered negotiators are critical to us reaching the kind of solution that's in the best interest of the Syrian people. It's certainly in the best interest of people like Russia that have a significant stake in the outcome of this pretty troubling situation. But it's also in the interest of those who are concerned about the continued destabilizing impact that this is having on the region.

So we've got to get to a place where we can have a transitional government in place. And that's going to require some leadership to be shown on the part of the Russians. The United States and our partners and our allies are certainly willing to do our part to encourage the Syrian Opposition Council to participate in a constructive way in those negotiations. And it's through these negotiations that we're going to eventually try to address the problem that exists there and put an end to this terrible, terrible violence that's taken the lives of so many innocent people in Syria.

Kristen.

Q Josh, a quick follow on that. Secretary of State Kerry said that he's convinced that the Syrian opposition will take part in the Geneva talks. Has he communicated that to the President? Is the President confident of that as well?

MR. EARNEST: Well, I don't have any conversations to read out to you between the Secretary of State and the President. But certainly, the Secretary of State has been engaged in a series of conversations, not just with his Russian counterparts, but with

other partners in the region. So he would be in a position to make that assessment probably better than anybody else that lives in this country.

Q Okay. And I want to get you to respond to something that House Speaker John Boehner's spokesperson said, Brendan Buck. He says, "The White House would no doubt love to change the subject from all of its various scandals." Was part of the goal today to shift the conversation away from the IRS, the DOJ?

MR. EARNEST: The exclusive goal of the event today was to continue to reinforce the priority that the President has laid out. And that priority is something that the President noted in his remarks, which is that the North Star of domestic policymaking in this White House is expanding economic opportunity for the middle class.

And that is answering the three questions that the President posed in the State of the Union. These are the questions: How do we make America a magnet for jobs and opportunity? How do we make sure that we're equipping American workers to compete for those jobs? And how do we make sure that those -- that hard work on behalf of those American workers actually leads to a decent living? And that answering those three questions is what animates the domestic policymaking process at this White House. It is at the top of the agenda every day that the President sets foot in the Oval Office. That's what we're focused on every single day, and that's why the President was talking about making sure that we open up the doors to a college education to as many American kids as possible.

Q Josh, if you talk to education officials, they say student loans are important but the broader problem is that the cost of education keeps increasing. So why isn't the President focused on that as well, or more focused on that, given it's the root of the problem?

MR. EARNEST: The President is focused on that. I mean, the reason that he gave the remarks today centered on this one issue is because we have this looming deadline that's coming up next month. But the President has talked for some time about the broader priority of trying to -- I guess to borrow a phrase that we were talking about with Tom earlier -- bend the cost curve of a college education, right?

Q But the rates keep going up.

MR. EARNEST: They do keep going up. That's why we need -- the President has talked about trying to put incentives in place that would ask colleges and universities to make reducing costs a priority, and that withholding some federal funding could be a consequence of them not making that a priority. So lowering the cost of a college education by putting pressure on colleges and universities to lower those costs is one part of this tool.

The President has talked about -- well, the other thing I would cite to you is, the CFPB, under the leadership of Richard Cordray, has this "Know Before You Owe" program that makes it easier for college students and their families to assess exactly what kind of debt they're going to take on. We put forward a college scorecard that allows people to compare college costs among different schools so people can make an informed decision about what kind of debt they're going to incur based on which college they choose to attend.

So there are a number of things that we have done to try to address what the President does see as a significant problem. But the reason that he's talking about this one particular issue today is that congressional action is required, and it's required before this looming deadline is met at the end of next month.

Q And then just one more on the IRS. Is the President upset or angry about the fact that there are employees who were involved in targeting conservative groups who are still in their jobs getting taxpayer dollars?

MR. EARNEST: You've heard from the President, who I think has pretty forcefully expressed his concerns and anger -- I think you could even -- many of you would -- had described it -- at the wrongdoing that occurred at the IRS.

But there is also a 30-day review that's in place. So we have an acting IRS commissioner. He's a career civil servant; somebody who served a Republican administration and a Democratic administration, who's conducting a top-down review at the direct instruction of the President's Treasury Secretary. And we are confident that that review will take a look at a wide range of things, including making sure that we hold accountable those who are responsible for this wrongdoing.

Let's move to the back again a little bit. Mike.

Q Thanks, Josh. I wanted to go back to Iran and talk about Pastor Saeed Abedini. His wife, Naghmeh, met, as I understand, with the U.S. U.N. Ambassador yesterday. She's going to be speaking before the rights council, the Human Rights Council at the U.N. on Monday. I was just wondering if you could share what the administration has been doing on his behalf.

MR. EARNEST: Mike, you have asked me a question that I'm not prepared to answer right now. It doesn't mean that there's not an answer that exists. So let me take that question, and we'll get back to you and see if we can provide you some more details.

Q Can I ask one last?

MR. EARNEST: You can.

Q James Comey is taking a lot of heat from rights groups because of his involvement with the security policies of the previous administration. I was just wondering if you were able to share the President's view of Comey's record in that area.

MR. EARNEST: I'm not prepared at this point to talk about that only because I know there's been a lot of reporting out there about who the President may or may not choose to be the next director of the FBI. And so I don't want to influence that reporting in any way by commenting on the credentials of one candidate or another. I know that Mr. Comey is somebody that certainly has the respect of the President for all that he's done throughout his career. He's an accomplished prosecutor. But at this point, I don't want to weigh in with a specific appraisal of his characteristics for a job that he's not yet been appointed to.

Jim.

Q Yes, if I could follow up on Steve's question about the American woman who was killed in Syria. What would the White House say to other Americans who are thinking about getting involved in that conflict on either side of the equation?

MR. EARNEST: It's the State Department's responsibility to offer advice to Americans about travel to foreign countries. So if there are Americans that have questions about -- they're contemplating a trip to Damascus, I'd encourage them to consult with the State Department.

Q And earlier this morning, Dan Pfeiffer tweeted out an article from The Atlantic magazine that said that the former commissioner of the IRS, Mr. Schulman, only visited the White House 11 times and not 157 times. Was that a statement of fact on the part of the White House?

MR. EARNEST: Well, I think that was the citation of a report from The Atlantic Monthly. So I -- we've been pretty clear about what's happened in this circumstance. I mean, the fact of the matter is, the only reason we're having this conversation is because the President took the unprecedented step of actually releasing the WAVES records on a rolling basis. So that is a pretty good indication of the President's commitment to transparency on this and a range of other issues.

And if you consult those WAVES records and look at the records that apply to the times in which Mr. Schulman was cleared into the White House, it indicates that he was cleared into the White House to attend -- on most of those occasions -- meetings to discuss health care. Now, of course, the Affordable Care Act includes tax credits for small businesses so they can better afford quality health insurance for their employees, and includes tax credits for middle-class families who are trying to afford quality health insurance.

So there's a pretty good reason why somebody like the commissioner of the IRS, who has an expertise in the tax code, would be involved in discussions about properly implementing tax credits to make it easier for people to afford health insurance.

So the fact that these meetings occurred is something that we all know about because of the President's commitment to transparency. The topic of those meetings, or at least many of them, is something that we know about because of the President's commitment to transparency. And the purpose of those meetings was to ensure the highest-quality implementation of the President's chief domestic policy priority, which is expanding access to health care and lowering health care costs.

So I think the background, or the situation here, is pretty evident to any unbiased observer.

Q And on the President's remarks this morning about student loan rates -- before he began those remarks, he talked about the economy quite a bit; talked about the auto industry coming back; talked about where the people's investments might be in terms of how well they're doing; talked about other economic issues. Was he taking sort of a victory lap there on the economy?

MR. EARNEST: No, I think what the President was pointing out is that we -- that our recovery is starting to gain some traction. We're digging out of a very deep hole, and our economy is still working to recover from the worst recession since the Great Depression, but we're pleased about the progress that's been made so far. But the President doesn't believe we can take our foot off the gas here; that there are a number of other things that we can do to answer the three questions that I raised earlier -- what can we do to expand economic opportunity for the middle class.

Certainly, expanding access to a college education for more families is part of that equation -- but so are things like investing in high-quality early childhood education for every child in America. We know there's a strong "bang for the buck" argument, that a relatively small investment in a program like that pays big dividends down the line in terms of academic achievement and other social measures that will put our kids on the path to success in a 21st century economy. There are other things, like investments in infrastructure, that would create jobs right away but also lay the foundation for our long-term economic strengths.

So there are a number of things that the President thinks that we can do to further strengthen our economy. But there's no question that we've come a long way, but we've still got some work to do.

April, I'll give you the next one.

Q Josh, I want to go back to a question I asked last week. Did the President -- what is the President's thoughts about the IRS and the delays and refunds to some of the American public who already filed a while ago?

MR. EARNEST: I'm actually not aware of any broader delay on IRS refunds. Maybe I missed something. But if you have questions about those delays, I'd encourage you to check out the -- to consult with the IRS.

Q And I also want to ask about immigration. Where is the President now on immigration? Is it time for his plan B to surface and come out? He said if there's a stalemate on the Hill, after a certain time he is willing to bring out his plan B. Is it time for plan B?

MR. EARNEST: It's not, April. I think we're actually encouraged by the progress that's been made so far. This is a bipartisan agreement that is moving its way -- making its way through the Senate.

As I mentioned earlier in reference to a previous question, I think even people in Congress would acknowledge that they would like things to move more quickly through Congress. But this piece of legislation is one of the most complex, wide-ranging pieces of legislation that this Congress has had to deal with in quite some time, probably since the Affordable Care Act. So it makes sense that they're taking a reasoned look at this. But I think given that, it's moving pretty expeditiously through the Senate.

Not everybody -- there's nobody who is looking at this piece of legislation and says, this is exactly the way I would have written it word for word. Everybody recognizes that we're going to have to compromise here. And I think there's plenty of evidence right now to indicate that both sides are compromising. But the President is particularly pleased, because even this compromise, generally speaking, reflects the priorities that he laid out. And so we're going to continue to be supportive of the process, and we'll see what happens in the weeks ahead.

Q Can I follow on that?

MR. EARNEST: Sure.

Q Even though both sides are compromising, is there really a thought in the White House that this could still happen this year? Even with the compromise, nothing has been made concrete yet. But is there thought that this will happen this year still? Or are you

optimistic, or are you just hedging your bets?

MR. EARNEST: We're still counting on it getting done this year. There's ample evidence to indicate that it's built up a little bit of momentum. Again, it's a compromise. Nobody is getting every single thing that they want. But generally speaking, the President's priorities are reflected in that piece of legislation. We're seeing constructive engagement from Republicans and even some support from Republicans.

So we're going to continue to work our way through this process. We're still a ways from the finish line, but we feel good about the progress that we've made so far, and hopefully we'll be able to keep that momentum going.

Major.

Q Let me follow up on Nadya's question. You said no role for Assad even in a transitional, limited basis for a new future for Syria, correct?

MR. EARNEST: Yes.

Q Does this administration believe currently there is a viable, cohesive transitional government ready to go? Because there's ample evidence of discord, disarray, disagreement among those who are broadly defined as the opposition.

MR. EARNEST: There's no doubt that there are a lot of people with differing views about what the future of Syria should look like. I think there is broad agreement from a lot of people -- not everybody -- but I think most people agree that Assad does need to go. And so brokering that transition is the first step, but setting up a transitional government would be the next one. And we would have to work with all parties. So we'd work with --

Q There's not one ready to go --

MR. EARNEST: This is a work in progress.



Q -- you'd agree?

MR. EARNEST: Well, I would acknowledge that what we're going to have to do is we're going to have to work with even the disparate elements of the opposition. They don't all get along; that there are differences of opinion.

Q To put it mildly.

MR. EARNEST: They have differences of opinion as well about what the future of that country should look like. But what this administration, and what our allies and partners in the region are committed to, is ensuring that we can broker a political transition in that country. That's the only way we're going to put an end to the violence and that's the only way we're going to make sure that we have a government in that country that reflects the will of the Syrian people.

Q But is it a credible policy for this government to say Assad cannot even have a transitional role, there has to be an immediate move to a transitional government that doesn't even exist?

MR. EARNEST: You are talking about President Assad who has used weapons of war against his own people to slaughter tens of thousands of innocent people.

Q It's not in defense of Assad to ask that question.

MR. EARNEST: It's not. But I'd be hard pressed to make the case to you that he should have a role in the transitional government. This is a guy who has demonstrated his willingness to slaughter without any conscience innocent people by the thousands.

Q Then what accounts for the inability to put together a transitional government, if that's the highest priority?

MR. EARNEST: Well, I think the highest priority is to get Assad out of power so that he can no longer have his hands on the weapons of war that are being used to slaughter thousands of people. I think that is the highest priority. Another priority is making sure the humanitarian needs of the people who have been displaced by this violence are met. So that's why we're mobilizing significant resources on behalf of -- in support of our partners to try to meet that humanitarian need. We're also trying to build up the Syrian opposition forces by providing some non-lethal aid so that they have the resources that they need to better fight the regime forces.

So there are a lot of things that are urgent priorities in this situation. That's what happens in a crisis. But there is no doubt that it is going to take a lot of work. That's not just going to be the responsibility of the United States, but the responsibility of other interested partners to try to broker some agreement not just among the -- not just between the Assad regime and the opposition, but also among elements of the opposition. This is hard work. This is not going to be an easy step. But all of these steps are hard.

But this administration is committed to doing it, both because of our concerns about the humanitarian situation there, but also because of the broader, destabilizing impact that this conflict is having throughout the region and the questions that poses for the security of our allies in that region and the security of the United States.

Q And then moving to China and the President's meeting next week, when Jay addressed the issue of hacking and cybersecurity, it sounded to my ear -- and correct me if I'm wrong -- that it was kind of a bland assessment. And I can tell you in the Pentagon, the idea that hacking into sensitive platforms about our most recent defense systems is not an issue they take blandly. How personally outraged is the President about this? Does he have any sense of emotional reaction to it? And can you say this will be kicked up higher than it would have been, let's say, a month ago, on the, I know, understandably, very complex agenda for this summit?

MR. EARNEST: Well, I can tell you that this is something that the President is concerned about. It's something that we have said publicly, which is that we are concerned about intrusions that are emanating from China. We have made clear that this is something that we have raised previously with the Chinese, and it's something that the President -- that's something that the President will raise in the context of this forum next weekend.

Q But having raised it and then still seeing the behavior, doesn't that provide an extra level of intensity to this issue?

MR. EARNEST: I think there was a lot of intensity behind it in the first place. This is something that the President has identified and that the Pentagon has identified as a national security priority. It also has some consequences for our economy, because we've seen some intrusions on private-sector entities too, including some media organizations.

So there are plenty of reasons to be concerned about this. The President continues to be concerned about it. But it's something that we are going to raise with the Chinese President over the weekend -- next weekend. It's also something -- we've established this dialogue, a working group with them, I guess we've called it, that would take a look at some of these issues to try to find ways to address these challenges. So, again, this is something that is a priority of the President's because of the significant national security implications involved.

Q Can I take you back before the subpoena of phone records of my colleague, James Rosen, and ask you whether his 2009 reporting on North Korea was brought to the attention of the President or his national security advisor?

MR. EARNEST: I am not able to answer that question only because it's hard for me to assess what article or what television clip the President may or may not have seen back in 2009.

Q Do you know if anyone in the White House national security, such as Tom Donilon, played any role in triggering the leak investigation itself by the Justice Department?

MR. EARNEST: I think we've been pretty clear that these kinds of criminal investigations are the kinds of things that are initiated by the Department of Justice and are not subject to any sort of political or White House influence.

Q On that, David Gregory of NBC is reporting that then-Defense Secretary Panetta was so angered by the leak that he called Attorney General Holder at home and said you've got to deal with this. Can you confirm that?

MR. EARNEST: I don't have any knowledge of phone conversations between the Attorney General and the former Secretary of Defense.

Steve.

Q We've got four months left of the fiscal year, and while the student loan thing seems to be moving through both chambers, we don't have anything going on the sequester. There have been some bipartisan efforts in the Senate -- Mark Udall and Susan Collins have a proposal that would give the White House, the administration, more flexibility in how you implement those cuts. Given that there's been no success in the White House's push of a larger deal at this point, would the White House still rather keep the sequester in place as it is? Or is there any chance the White House would be willing to go along with some kind of blanket flexibility?

MR. EARNEST: I'm not sure that's the way I would characterize the administration position. But I think what I would say is simply this -- I haven't seen the proposals that have been put forward that you referred to there. What this administration has done is put forward a balanced approach to dealing with our deficit challenges. What it would do is it would turn off the sequester. It would protect important investments in things like education and infrastructure that are so critical to our long-term economic strength. And here's the kicker -- it would actually do more to reduce the deficit over the long term than the sequester did.

So there's no reason that we shouldn't be able to build some bipartisan support behind what the President put forward. So that's why the President is engaged in a -- the President has been engaged, something that you guys have all closely covered, in conversations with Senate and House Republicans to try to find a caucus of common sense; to try to find some people in Congress who are not just in the Democratic Party, who are willing to consider a balanced approach to dealing with this; that we can make some further cuts in government spending at the same time we're making -- we're protecting investments and priorities. We can close some tax loopholes and do some other things with the tax code that would help us to address our deficit challenges in a balanced way.

So we've made a lot of progress over that -- in the last couple of years in terms of some of the proposals that have already been signed into law, and I think the CBO report from a couple of weeks ago indicates that we've actually made a lot of progress at increasing the rate at which we're reducing the deficit. There is more work that needs to be done and the President has put forward a specific plan for doing so that, as I mentioned, would turn off the sequester, would protect our investments in critical things like education and infrastructure, and actually do more to reduce the deficit than the sequester does.

So we're hopeful that we'll be able to get some Republican support for that and move it through the Congress. But again, that's going to depend on the willingness of Republicans to adopt what the President sees as a rather common-sense approach.

Q But is there a concern by the White House that if you -- if the President and the administration actually had the flexibility to not have the Meals on Wheels be cut, for example, which the White House has been talking about, that that would take the pressure off of these negotiations? That you would essentially own all the particular cuts because you have this flexibility?

MR. EARNEST: I know that there are a lot of people who have sort of floated this idea about whether or not flexibility is a good thing or a bad thing. We actually think that the sequester is a really bad thing. It has had a bad impact on things like Meals on Wheels and Head Start. We had this kerfuffle over the FAA control tower situation, so there was a significant impact on the ability of the federal government to perform basic functions that the American people rely on, on a regular basis.

The sequester is bad policy because it also is inhibiting our economic recovery. So Jim was talking about the good economic data that's come through over the course of the last month or six weeks -- think how much better that economic data might be if we didn't have the sequester in place. The CBO estimated that the sequester would actually reduce the growth in -- the economic growth by up to three-quarters of a percentage point [.6%]and take away up to three-quarters of a million jobs.

So there are some significant consequences for the sequester beyond just some of the inconveniences that some have pointed to. So that's, again, that's why the President has put forward a very specific plan -- it would turn off the sequester, protect our investments, and actually do more to reduce the deficit than the sequester itself does.

Q But that still doesn't explain -- why not make it just a little bit better? Why not just have a little bit more flexibility and then you could have a slightly better outcome?

MR. EARNEST: Because it doesn't address what I cited there in terms of the impact that the sequester has on our broader economy. That's what the President is most concerned about, and that's why the President has put forward a very specific plan to fix it.

Roger.

Q Thanks. Did the President talk with Rasmussen this morning about Syria at all? Or did he offer any updates from the U.S. point of view?

MR. EARNEST: I don't have a readout of the meeting that the President did with the Secretary General. We'll see if we can get you a readout before the end of the day today, though.

Q Did he offer any chemical weapons update?

MR. EARNEST: Again, I don't have a readout of the meeting.

Laura.

Q Last month, two French journalists from Le Monde were in Jobar near Damascus. There was a bombing. Both of them were injured; they went to the hospital. Their eyes were -- they had to be treated and cured with two shots of atropine. Several French doctors, when they came back, said they were injured by sarin gas. What's the White House reaction to what appears to be a chemical attack documented by two independent French journalists?

MR. EARNEST: Well, as we've expressed from this podium, and I think even the President himself has expressed, Laura, that we're concerned about the possible use of chemical weapons in Syria. So we have stated our desire to take a careful look and investigate what exactly is happening in Syria to try to document any evidence of the use of chemical weapons.

We're working with our partners, we're working with the opposition on this effort, and this raises -- and the reason that we are working so hard on this is because the use of chemical weapons does raise some serious concerns. And I think the President has talked about that quite extensively as well. So what I can tell you is we've seen those reports but, again, we're committed to conducting a pretty rigorous investigation here because this is a serious matter.

Go ahead, Andrei.

Q Thank you. The Turkish press reports this morning read that the Turkish government has arrested a group of suspected extremists tied in with this Jabhat al Nusra group that's fighting in Syria with the cargo of the sarin gas just referred to. Is the White House aware of this incident, or can you share any information about it?

MR. EARNEST: Well, what I can tell you, Andrei, is I was aware of the reports that Laura was citing but I'm not aware of the reports that you're citing, so I don't know if that's just a mix-up in my email or somebody else got those reports. But I haven't seen them, so I don't want to comment on a report that I haven't seen.

Q I understand. But can you at least say that you are for getting to the bottom of this? Because some people even say that since this seems to indicate that the chemical weapons were intended for the opposition, that the people who are supporting the opposition will want to suppress this information. So please tell us that you want to go to get to the bottom of this incident.

MR. EARNEST: Well, I can unequivocally confirm for you that we're interested in getting to the bottom of who may or may not -- who may be responsible for the use of chemical weapons. We've already heard senior administration officials express some skepticism about claims that the opposition is responsible for that. But again, we're looking to get to the bottom of this and that's why we're engaged in an effort with our partners and with the U.N. to try to figure that out.

Dave.

Q Josh, your website says you're hosting a discussion this afternoon about this asteroid that's going to be passing fairly close to Earth today. Has the President been briefed about the asteroid?

MR. EARNEST: It's my understanding that scientists have concluded that the asteroid poses no threat to Planet Earth. I never really thought I'd be standing up here saying that. (Laughter.) But I guess I am. So since it doesn't pose a threat to Planet Earth, I'm

not sure it necessitated a briefing to the President.

Q Does the President have any views about spending more resources on what your website calls “hazard mitigation” in respect to asteroids?

MR. EARNEST: I’m not aware of that reference. I know that the President does believe that scientific exploration and that the study of these kinds of asteroids is a worthwhile endeavor. And certainly we’re taking advantage of the opportunity -- maybe there’s a spike in interest in the asteroid to facilitate a discussion on matters related to space. So it should be an interesting discussion. I would encourage you to tune in if you’re interested. But I don’t know -- I’m not aware of any details related to hazard mitigation.

Mark.

Q Josh, though you don’t want to discuss reports about James Comey, can you give us any guidance on whether President Obama is close to making an FBI nomination announcement?

MR. EARNEST: That’s a good question, particularly given all of the reporting that’s been out there on this, you might say, but I don’t have an update in terms of any timing. Obviously, the tenure of the current FBI director is coming to an end, but in terms of when a replacement might be nominated, I’m just not able to give you any guidance at this point.

Q Has there been any outreach to Senator McCain yet by the White House?

MR. EARNEST: Not that I’m aware of, but I’ll have to check on that for you.

Q Jay said there would be on Syria, we’re just curious about that.

MR. EARNEST: Right, I think that’s what he’s asking about and I just don’t know.



Q Nothing this week?

MR. EARNEST: Not that I know of, but I don't know. If there's a way for us to provide you an update, I'll get to work on that.

Q And on student loans, would you expect President Obama to be making more such events on student loans between now and July 1?

MR. EARNEST: I don't have any specific scheduling announcements at this point, but certainly this is an issue that the President has made a priority. I think that was evident from his comments today. So I certainly wouldn't rule it out. I think it will depend on what kind of action and cooperation we see on Capitol Hill to solve this problem before the end of June.

Q Who gave the White House assurances about the asteroid, by the way? (Laughter.)

MR. EARNEST: My understanding that's a scientific conclusion that was drawn. I'm not sure which scientist sketched it out.

Q Was NASA involved?

MR. EARNEST: I really don't know if NASA was involved in reaching that conclusion, but I have been assured that there is no threat posed.

Q It sounds like a movie. (Laughter.)

MR. EARNEST: It does.

Yes, ma'am. What's your name?

Q Kate.

MR. EARNEST: Hi, Kate. Where are you from?

Q McClatchy.

MR. EARNEST: Okay. Nice to meet you, Kate.

Q Nice to meet you, too. The Senate, though they haven't put out anything official, they have said that they might have a plan to freeze student loan rates to 3.4 for another two years. Is Obama supportive of this type of measure?

MR. EARNEST: Well, this certainly addresses the concerns that I raised at the beginning. So, because of that, it is something we would support. It's different than the proposal that the President has put forward in his budget, but it is something that the President would support because it addresses these other concerns about locking in lower rates, including safeguards for lower-income families.

The other critical difference there that I think is also important that I have not yet mentioned is that one of the other things that's I think troubling about the Republican proposal is that it would use some of the money collected from students, based on their higher interest rates, to pay down the deficit, while at the same time, Republicans are still working to protect tax loopholes that only benefit the wealthy and the well-connected.

So the difference is, is that Democrats are actually proposing what I think is a much more common-sense approach, which is to close loopholes that only benefit the wealthy and well-connected; to protect the lower interest rates that are paid by students. I think that's a pretty good longer-term investment and a wise investment. So this is along the lines of something that we could support because it would address the problems that we've laid out here, including this one about deficit reduction.

Chris.

Q Thanks, Josh. This week, some prominent, gay Democratic Party donors publicly expressed discontent with the White House over not issuing that executive order against LGBT workplace discrimination and with Senate Democrats over the exclusion of gay

couples from immigration reform. One donor, Jonathan Lewis, said he's withholding donations to the Democratic Party "until we see our friends' actions and deeds align with the rhetoric." Are these threats from gay Democratic Party donors significant?

MR. EARNEST: Well, I haven't seen the threats, so I don't want to react to them. But I'll tell you that what we have said about the immigration compromise that's moving through the Senate is that it broadly reflects the priorities that the President laid out, but the President is not getting every single thing that he wanted.

And the priority that you've identified there is one of the things that the President is not getting -- at least at this point, doesn't look like he'll get in this compromise. I do think that there is an amendment process on the Senate floor where this could be considered, so I don't want to predict the outcome at this point. But what I can tell you is that this is something that -- this is a compromise piece of legislation that's moving forward.

In terms of the executive order, I don't have any updates for you in terms of any timing or any possible executive order, or whether anything is being drafted or anything else you might ask along those lines.

Q But I do want to put a fine point on that, because in an attempt to allay some of these concerns, DNC Treasurer, Andrew Tobias, said in an email to donors that was leaked to me that Exxon Mobil's decision on Wednesday to reject a nondiscrimination policy towards LGBT workers may be a hook to push that executive order across the finish line. Does that company's rejection of a nondiscrimination protection on Wednesday prompt any reconsideration at the White House about that directive?

MR. EARNEST: No, look, I don't have any update for you on the executive order front.

Yes, ma'am.

Q Hi. So the President has expressed that he is currently displeased with the IRS, but I was just wondering if the White House was planning on apologizing.

MR. EARNEST: Well, what the President has said is that he is troubled by the wrongdoing that apparently occurred at the IRS, and he is committed to making sure that we get to the bottom of what exactly happened and to make sure that we have safeguards in place to prevent those kinds of things from happening again.

So the President has put forward a career civil servant, somebody who served in the previous Republican administration and has served this Democratic President -- so somebody who doesn't have a partisan affiliation -- to take a close look at this. This is somebody that has all of the authority that he needs to get to the bottom of what exactly happened, and the President expects that those who perpetrated this wrongdoing or authorized this wrongdoing or allowed it to happen will be held accountable.

Now, in addition to that, the President has also indicated his willingness on behalf of the entire administration to cooperate with legitimate oversight efforts. So I know there's an appetite in Congress to take a look at what exactly happened, and I think the cooperation that you've seen from us -- well, I would say this: You've actually already seen cooperation from us on this effort in terms of senior administration officials who testified before Congress. And as legitimate oversight efforts move forward, you can anticipate that the administration will cooperate with them.

Now, finally, you've also -- I've also read that the Department of Justice has announced that they are actually going to conduct a criminal inquiry into this matter. That's obviously something separate from what the President has put forward -- this is an independent criminal investigation -- and that will also give us some insight possibly into what exactly happened, who should be held accountable, and whether or not there was any criminal wrongdoing. But that's an assessment that they'll reach on their own.

So there are a lot of people who are taking a careful look at this. It will give us an opportunity to get to the bottom of what exactly happened, and will hopefully allow us to put in some safeguards to make sure that doesn't happen again.

I'll take a couple more. Phil.

Q Thanks, Josh. Mitt Romney -- Governor Romney said in an interview with the Wall Street Journal that he is going to reemerge in the public debate and kind of comment on some issues. And I'm wondering if the President has any views on his opponent sort of

coming out publicly now to talk about issues in the news. And one criticism he had was that the President is campaigning -- and these are his words -- "as if there is another election" when there isn't. And so I'm wondering if the President has any reaction to that.

MR. EARNEST: I haven't seen those remarks and I haven't talked to the President about whether or not he has seen them. There's obviously not another election that the President is going to be involved in, or at least on the ballot for.

Connie.

Q Thank you so much. On Mexico, there's been at least two Americans now arrested illegally. They finally released a woman last night. Does the U.S. -- does your administration think it's safe for Americans to travel to Mexico? And did you put any pressure on the Mexican government?

MR. EARNEST: As I mentioned in response to Jim's question about Syria, it's the responsibility of the State Department to issue guidance to Americans who are looking to travel overseas. So I'd refer you to the Department of State for any advice or concerns that they would have about any sort of foreign travel.

Q And did you speak to the Mexican government, put any pressure on them?

MR. EARNEST: Again, not that I'm aware of. But if we did, I'm sure that was -- it seems likely that that was communicated through the State Department. So they may have some more insight for you.

Q Is there any anger at what happened? I mean, these are two innocent Americans over the past year.

MR. EARNEST: Look, I'm not familiar with the details of these cases, so I don't want to weigh in at this point.

So last one in the back.

Q A follow-up on China. Jay just mentioned the other day, other than cybersecurity, stability in Asia would be the certain topic to be discussed. So could you elaborate a little bit on the meaning of stability in China -- in Asia? Does that mean South China Sea and also -- the sea dispute? And also, on the coming trip by China's President Xi to Latin America, we know President Obama -- and also Vice President Joe Biden right now is in Latin America. How does the White House view President Xi's visit to Latin America?

MR. EARNEST: I'm going to have to get back to you in terms of a reaction to President Xi's visit to Latin America. I'm not aware of the details of that trip. But if we have reaction, we can get one for you.

In terms of the broader relationship between the U.S. and China and the impact that has on stability in Asia, I think Jay has talked quite a bit about the nature of our relationship with China, that there are some elements of cooperation and some elements of competition. And it is the desire of the United States to try to expand the areas of cooperation, whether it's dealing with the threat posed by the North Korean regime or dealing with some of the strife that's in place in Iran and Syria, that there's a role for China to play as a global economic -- as a global power.

So we certainly would hope that we could cooperate with them on that, and there are some areas where we have successfully. Also ongoing in Asia -- Asia is one of the fastest-growing regions of the world economically, so there are significant stakes in the outcome of some disagreements in Asia. And it is the desire of the United States to play a constructive role in resolving some of those disagreements. And that's what we have tried to do. And I think that would be an example of where we might be able to take an area that could be perceived as competition and try to turn it into an area of cooperation between our two countries.

But I'm sure this is something that President Obama and President Xi will have ample opportunity to discuss next weekend. And I know that we're going to put in place -- we'll have some senior officials that will be available to do our best to try to give you a sense of how those conversations go.

Q Just one more?

MR. EARNEST: Actually, I'm going to wrap it up here, but I'm going to read the week ahead.

On Monday, the President and the Vice President will host a National Conference on Mental Health at the White House. The conference will bring together people from across the country -- including representatives from state and local government, mental health advocates, educators, health care providers, faith leaders, and individuals who have struggled with mental health problems -- to discuss how we can all work together to reduce stigma and help the millions of Americans struggling with mental health problems recognize the importance of reaching out for assistance.

On Tuesday, the President will host President Sebastián Piñera of Chile at the White House. The President looks forward to discussing a broad range of bilateral, regional, and global issues during their Oval Office meeting, including our joint work in advancing negotiations toward the Trans-Pacific Partnership. The President also welcomes the opportunity to underscore the strong bonds of friendship between the United States and Chile, and discuss our cooperation on energy, education, environmental conservation, and economic development in Latin America. I know the President was pleased with the very warm reception that he had when he visited Chile a couple of years ago, so I know that he looks forward to offering President Piñera a similarly warm welcome here in the U.S.

On Wednesday, for all you football fans out there, the President will welcome the Super Bowl Champion Baltimore Ravens to the White House to honor the team and their Super Bowl victory. This visit will also continue the tradition started by the President of honoring sports teams for their efforts to give back to communities as part of their trip to Washington.

On Thursday, the President will travel to the Charlotte area as part of his middle-class jobs and opportunity tour. From there, he'll travel to San José, California to attend an event for the Democratic Senatorial Campaign Committee. And he'll spend the night in San José.

I would point out that that trip to Charlotte will be similar to some of the events that we've done in the last couple of weeks to highlight the President's commitment to expanding economic opportunity for the middle class. So the President has taking trips to Austin

and Baltimore over the last couple of weeks where he's talked about some of these issues, and so he'll do that for a third time in the Charlotte area.

On Friday, the President will wake up in San José and then travel to Los Angeles, California to attend an event for the Democratic National Committee. He will then travel to Palm Springs, California to meet with President Xi Jinping of The People's Republic of China at Sunnylands, the Walter and Leonore Annenberg estate. He will remain overnight in Palm Springs.

On Saturday, the President will wrap up his meetings with the Chinese President and then will return to Washington, D.C.

Q Do you anticipate a press conference?

MR. EARNEST: We're still working through the logistics of the press setup with our Chinese counterparts. But we are working to try to make sure that there's an opportunity for the Presidents to take a question or two. So we're still working on the details of that.

It's intended to be an informal gathering, as has been widely reported, so I would not anticipate a formal news conference. But we're looking to see if we can set up a situation where we could get a question or two in.

Q Is that because of pressure from the Chinese?

MR. EARNEST: No, it's because of logistics of the event.

Thanks, everybody. Have a good weekend.

END

1:47 P.M. EDT