## Press Gaggle by Principal Deputy Press Secretary Josh Earnest and Deputy National Security Advisor Ben Rhodes

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MR. EARNEST: Good afternoon, everybody. Now that we've assumed the position here, I have one important piece of news from Washington that is not related to our trip that I wanted to share. And then Ben and I will both take your questions.

It's been reported today that members of the Senate are preparing to introduce legislation allowing Americans working hard to pay back their student loans to refinance at lower rates. As you heard the President say many times, college has never been more important, but it's also never been more expensive. So we commend the efforts in the Senate and look forward to working with them to pass this bill.

As you know, making college more affordable and accessible has been a priority of the President since the early days of the administration. And next Monday we'll have an event at the White House where the President will have the opportunity to discuss this topic once again. We'll have some more details about that event as they become available. So that's an important priority that we'll be spending some more time on next week and look forward to the opportunity to talk about it.

But with that, why don't we open it up to your questions.

MR. RHODES: Just to start, let me just do a quick readout of the meeting with Presidentelect Poroshenko. The President made comments, but I'd just add to that.

First of all, the President conveyed that we are invested in the success of President-elect Poroshenko's effort to advance Ukraine's democracy. The President made clear that we've been inspired by the Ukrainians who turned out to vote in very challenging circumstances and, as you heard him say in his speech, strongly believe that the Ukrainian people have to make decisions about their own future. We discussed our support for President-elect Poroshenko's efforts to reach out to the east in Ukraine. He's put forward some ideas about promoting dialogue with the east with some of the actors there and has supported reforms and decentralization that we believe provides a basis for a reduction of tensions. Of course, we would continue to call on Russia to engage in a dialogue with the government of Ukraine to use its own influence on the separatists in eastern and southern Ukraine to diffuse tensions, and that is a message we'll be continuing to underscore.

In addition to discussing President-elect Poroshenko's plans to reduce tensions and pursue that type of effort in the east, we discussed generally our support for Ukraine, our support for the Ukrainian economy, which includes our loan guarantees as well as the IMF package. And President-elect Poroshenko underscored the importance of Ukraine undertaking reforms to root out corruption and to modernize Ukraine's economy.

They discussed energy. And as the President has discussed throughout his time in Eastern Europe here, they reviewed ways to potentially have more diversification in terms of Ukraine's energy resources so that Russia does not have the type of leverage that they've been able to exercise in the past.

And they discussed security assistance and how the United States can continue to be responsive to Ukrainian requests on security. Today, the President indicated an additional tranche of security assistance focused on body armor, night vision googles, communications equipment that the Ukrainians have requested. And we agreed to continue to have a dialogue with the Ukrainians about the type of equipping that we can do, the type of potential training we can do as it relates to their security forces.

And then, lastly, they discussed the need for the international community to continue to speak with one voice on the subject of Ukraine and its right to determine its own future. And the President was able to I think compare notes with President-elect Poroshenko before his dinner tonight at the G7, where this will be a principal topic. So it's useful for them to be able to check in before the President sees his G7 partners tonight.

Very quickly, I'd just say for the G7, tonight the dinner will focus on foreign policy issues, principally the situation in Ukraine. We expect it's an important time for the G7 to discuss ways to continue to support Ukraine's democracy, to continue to make clear to Russia that there's an opportunity with this newly elected government to reduce tensions, but that if Russia does not take that opportunity it should face continued costs.

The agenda tomorrow we've gone through with you. Just very quickly, there will be discussions around energy security and climate change. On energy security, building on the conversations we've had throughout this trip about diversification of resources. But on climate change, I think with the President's new climate rule announced at home, I think it puts the United States in a strong position to lift up the need for international action heading into next year on concrete plans to reduce emissions. And that will be a subject.

There will also be a discussion on growth and jobs, where we'll obviously address T-TIP and TPP, the two major trade negotiations that we have underway with G7 countries, and then a discussion on development in which we'll be raising issues around global health security.

With that, happy to take questions.

QOn security assistance, did President-elect Poroshenko ask for lethal aid?

MR. RHODES: He didn't make specific requests of that nature, but he did ask for additional support for both the Ukrainian military and the Ukrainian National Guard. And I think President Obama expressed that he was very open to those discussions, that we want to have a strategic conversation with the Ukrainians about what their needs are not just in the short term where we can plug some gaps as with body armor, but also in the medium and longer term as they aim to continue the professionalization of their security forces, the improvement of their security forces.

So as you heard, the President indicated this will be an ongoing dialogue and we're very open to Ukrainian requests for different types of assistance. But we want to make sure that it's attached to a plan for both the short term but also the long term, as Ukraine is taking steps to improve its military readiness and its internal security.

QAs far as the type of aid that you gave today, it's obviously a significant change from what we've been giving in the past. Is it because of the developments, the continuing casualties that they're suffering, their military is suffering there?

MR. RHODES: Well, on the one hand, there's clearly a need given the difficult security situation for this type of support for the Ukrainian military. And so we're mindful about trying to be responsive where we believe we can make a difference in meeting needs.

Also, the Ukrainians have now had an election. The election was a focus of ours for some time, making sure that that could go off well, making sure that the opportunity was provided to vote for as many Ukrainians as possible. And I think now as you get a new government in place that also opens up the prospect for discussion on all these issues -- energy, the economy, and security assistance. With that partner in place, with the legitimacy of the mandate of a democratic election, I think that allows for not just a short-term conversation but a long-term conversation about our support for Ukraine.

QSo just to clarify on that, the President is very open to considering future requests for lethal aid, just not at this point? There was none directly made and it's not time yet, but in the future that's something you might be open to?

MR. RHODES: We've been focused on nonlethal aid in part because, frankly, we didn't want to -- well, number one, we weren't going to bring the Ukrainian military to parity, for instance, with the Russian military in any near-term timeframe. And number two, we have been seeking to defuse tensions and we continue to believe that the best way forward, even in the east in dealing with some of these armed separatists groups, is for there to be a political process. And President-Elect Poroshenko articulated that, too.

That's still our preference. That's why, in part, we focused on nonlethal assistance that could meet some immediate needs that are rooted in the difficulties and the instability and the challenges within the country, but that as we talk about different types of assistance, we want to put that in a bigger context of how is Ukraine improving its military, its national guard. Because ultimately that's not just about dealing with the immediate challenge of these separatists; it's about building Ukrainian capacity over time, too.

QCan you tell us whether Poroshenko and Putin will now meet? Have you heard anything definitively on that? And does that have anything to do with whether the U.S. will meet with Putin? We heard some remarks earlier today from Putin in a French interview -- I don't know what he was doing, but maybe suggesting that he wants to meet with President Obama. Can you talk about whether there is sort of a quid pro quo? Does he need to meet with Poroshenko in order for President Obama to talk to him? And how and when will you make that decision?

MR. RHODES: Well, we have no plans to meet with President Putin, although as we've said, obviously we'll be in the same venue as him at the lunch and at the ceremony in Normandy. So there will certainly be the opportunity for leaders to interact in that context.

I think I'd just make a couple of points, Margaret. Number one, as a general matter, we believe that the most important conversation is the one between Russia and the government in Kyiv. We've always said we don't want different countries to be having conversations over the head of the government in Kyiv about Ukraine's future. So we do, as a matter of principle, think that it's important for there to be that type of dialogue -- again, not necessarily at a ceremony in Normandy, but as a general matter.

Secondly, I think one of the points we want to make tonight, which we've always made at the G7 and in our conversations with our European allies, is that we all have to speak with one voice; that insofar as President Putin is having any discussions, we should be aligned in our support for Ukraine, our insistence that there be a reduction of tensions, that Russia not support the type of destabilizing activities that we see from these separatists. So tonight will be an important opportunity to try to advance that alignment.

And we've had a very good alignment since the crisis in Ukraine began in both the G7 and with our key European allies. That's the type of dynamic that we want to see in place. And then we'll let you know as there are any additional developments, but we don't have a meeting planned with President Putin.

QYou talk about the importance of speaking with one voice and not speaking over Kyiv's head, but yet France and Britain and Germany are all having bilaterals with Putin. How does the United States feel about that? And will the President be raising that concern tonight with his G7 partners?

MR. RHODES: No, look, we're not concerned. We've maintained dialogue with President Putin. The President has spoken on the phone a number of times. So the question is not whether they're meeting; the question is what people are saying in those meetings. And our belief is that there needs to be a unified message that supports the right of the Ukrainian people to make their own decisions, that makes clear to Russia that there will be a cost if they do not take this opportunity to reduce tensions, and, frankly, also lifts up the fact that we have a moment of opportunity here, that you always look for opportunities in crisis situations like this for there to be a change in direction. And now there's been an election. There's been a clear mandate for the President-elect Poroshenko. There will be an inauguration on Saturday. And with that new administration coming in, Russia has the opportunity to change course in terms of supporting stability in Ukraine rather than destabilizing and intervening within Ukraine's borders. So that's what we'd like to see.

And we've been very focused on making sure our allies are in solidarity here. So we started in Eastern Europe, met with not just Poland but Central and Eastern European leaders, reassured our commitment to NATO; met with President-elect Poroshenko today, made clear to him directly the support that he has from the United States of America in terms of Ukraine making its decisions. Now we'll meet with the G7 leaders. Again, we'd like them aligned around that same core message. And then that leads to the inauguration in Kyiv this weekend.

So there's a good opportunity here for the world to take advantage of a new administration. President Putin can take that opportunity. If he doesn't, though, he has to know that he'll face continued isolation.

QWhat's the state of the talks on the sectoral sanctions? It doesn't sound as much like you've set a new trigger for those. Are those going to be on the table, and what would be the new trigger?

MR. RHODES: I think they'll be discussing tonight what the approach will be going forward on different types of sanctions, including sectoral sanctions. We've always made clear that Russian military forces moving across the border would be a clear trigger. We also said that the election -- Russia preventing the election from going forward would be a clear trigger. The election has now gone forward.

So I think we do need to evaluate going forward what are the additional triggers for different types of sanctions, and we have a spectrum with sectoral being the most significant. And I think that would be reviewing whether or not Russia is continuing to destabilize eastern Ukraine, continuing to provide support to separatist groups. But I think the leaders will want to have a discussion tonight about how to convey what the different types of actions are that would bring additional costs to Russia. So that will be a subject of the dinner.

QA German prosecutor has announced a launching of an inquiry into NSA tapping of Merkel's phone. Does the United States believe that that's a legitimate inquiry for them to be making, or do you have any response to that?

MR. RHODES: We believe that the best way to address the concerns that Germany has had about NSA's activities is through a direct dialogue with us. And we've been able to have a dialogue at the level of heads of state but also in intelligence channels, as well, to provide information and exchange information about our intelligence activities and our intelligence cooperation with Germany. So we believe that's the best way for us to build trust within the bilateral relationship.

Obviously, the German Bundestag will be making its own decisions about its own inquiries, but we believe we have an open line and good communication with the Chancellor and her team, and that's where we're going to continue to focus our efforts.

QThere are also reports that France is selling a warship to the Russians in a way that's not approved by the U.S., not supported by the U.S. and others. Can you address that?

MR. RHODES: We have said that given the current context that it's not the right timing for those types of transactions to move forward. We, ourselves, have put restrictions on certain high-tech materials that could go towards the Russian defense industry. So that's something that we've continued to make clear that Russia has to understand that they are going to face some isolation.

We understand that France has a longstanding commercial relationship, including in the defense industry, but at the same time we think it's important for France and all of the G7 countries and our European allies to keep in mind the current context as they make decisions about whether to go forward with deals like that.

QThe President goes to Warsaw today and says the NATO Alliance is standing firm in defense of Poland and Eastern Europe at the same time that a key member of that Alliance, France, is selling war-making materials to Russia, the primary concern. Doesn't that undermine that argument to some degree?

MR. RHODES: I don't think it undermines the argument that we're standing firm in support of our Eastern allies. We've seen not just the United States provide additional resources to Eastern Europe, but France has sent additional resources to the Baltics, for instance. So that message is very clear.

The fact is there are many different countries with commercial and defense relationships with Russia. And those are the types of things that I think people should review in the current context. That doesn't mean that there's going to be a cessation of any commercial relationships with Russia; it just means that I think these things need to be looked at carefully on a case-by-case basis.

I do think the point the President would underscore is that NATO can show its commitment not just through the sanctions that Europeans and G7 countries put on Russia, but also through increasing their defense spending so as to have more resources to both reassure Eastern Europe and meet NATO's other missions. And that will be a message the President will continue to make. QSo is the President going to bring up that sale when he meets with President Hollande tomorrow night? And can you preview that meeting for us a little bit? Are there these varieties of business tensions that are going to hang over the meeting with GE, Alstom, and the French bank --

MR. RHODES: We've been raising this particular issue with the French for some time. I don't expect it to be a focal point, the specific transaction that was referenced.

In terms of the meeting, I think they'll focus on Ukraine, building on the conversations that happened at the G7. So I think it will follow very naturally out of the meetings in Brussels. They'll focus on, I think, the situation in the Iran negotiations, where France is a member of the P5-plus-1 that is pursuing an agreement with July 20th as a deadline for those negotiations. I think they'll be discussing the President's recent announcements about Afghanistan and counterterrorism, given that France is a close partner in supporting the Syrian opposition and also in confronting terrorism in North Africa and in Mali, and they've been a partner on Nigeria in trying to recover the girls who were taken by Boko Haram.

On the French bank, we've made very clear that this is a matter for the Department of Justice. So at a political level it's not something that we intervene in. We respect the process that our judicial system undertakes, and that's I think what we'd say to the -- what we have said to the French and will continue to say.

QBut are there tensions between the U.S. and French that have grown as a result of a combination of some of these proposed mergers or business issues plus the tensions with Russia? And is that affecting your ability to work as a diplomatic partner with France?

MR. RHODES: I don't think so. I think -- look, as a general matter, France has been quite assertive on foreign policy in a way that is very in line with our interests. They've been with us on counterterrorism. They've taken the leading role in Mali. With Syria, they were with us on the chemical weapons issue. They've been with us in support for the opposition. On Iran talks, they've taken a very firm line in negotiations, which is in sync with ours. So, generally -- and on Ukraine, they have moved to sanctions with us. So, generally, I think we feel very in line with France.

Look, on these issues with Russia, as we've said before to you guys, different European countries have different areas where they have particular relationships with Russia. For Germany, it's energy. For the United Kingdom, it's in finance. For France, it's in the defense sector. So there are these types of issues as we pursue sanctions and impose costs. There are complications for every country involved.

We had, obviously, companies that do business in Russia, too. So these are things that we can work through, and we try to coordinate our sanctions in a way that we're all sharing some of the burden but also imposing sufficient costs on Russia and forecasting that there are greater measures available to us if necessary.

QOn Bergdahl, can you give us an update on his status? And also, what does the White House have to say to the charges that six to eight Americans were killed in the process of trying to look for him?

MR. RHODES: On the first question, my understanding is he's still in Germany. He's still receiving care there. And the military is in the best position to give updates. Their first priority after a recovery effort like this is for the health and well-being of the Sergeant Bergdahl, and so they will assure that he gets the care he needs before he can reunited with his family.

On the second question, I've seen these reports. These are the types of questions that the military would have to answer. Again, we would not render judgment about military operations, the root of military operations. That's something that the Defense Department can speak to better than us.

QHas the President seen that video?

MR. RHODES: Not that I'm aware of.

QAre you surprised that it came out? Or did you know that they might release it?

MR. RHODES: I mean, we didn't tape a video to release ourselves, but this was a very transparent exchange, carefully negotiated, and went off without surprises in terms of how it was executed. So we're not surprised by the content of the video. It was not our decision to put it out, so, again, I think in terms of its authenticity, the Defense Department can speak to that, but it certainly is consistent with how we understand the exchange to have taken place.

QBen, the President in his remarks today extended his talk a little bit to talk about democratic movements around the world. And I was wondering if you could address the fact that over the past few years you've actually seen authoritarianism rise a lot in Russia, Syria, Azerbaijan. And the U.S. is often forced to not fully engage in the democratic argument because of counterterrorism and other interests. So can you talk a little bit about how the President balances those interests?

MR. RHODES: Well, look, I think we've made democracy a central part of our approach in every region that we operate. When we've gone to Asia we've gone out of our way to support emerging democracies in places like Indonesia but also in places like Burma that are undergoing transitions. In the Middle East and North Africa, we are working very hard to provide support so that a country like Tunisia can have a successful transition. And we've made clear that for traditional partners like Egypt there are going to be consequences in our relationship if we don't see continued progress in terms of movement towards democracy.

In Africa, we've invested a significant amount of resources in supporting those countries that are investing in democratic institutions. So I think globally we have been focused on what can we do to empower democratic transitions, what can we do to push back on closing space for civil society which has been a concern.

I think what you do see is some of the authoritarian trends that you point to are in places that have just not moved forward. So in Russia or in China, we see a lack of progress. And what we've always said is that we're going to be very clear about when we have differences with those countries even as we are going to work with them on some issues of mutual interest -- whether it's Iran negotiations, for instance, or moving Syria's chemical weapons.

But I would say that democracy is a fundamental interest of the United States. The advance of democracy serves our interest, as Poland demonstrates. Poland is stable, it's secure, it's prosperous, and that's because it has strong democratic institutions. So democracies tend to be our best friends, as Poland is, and we are going to stand up for democracy in every region. It's just people have to recognize that in some closed societies that is going to be a long-term effort, but we have to stick with it. And that was part of the message of the President's speech.

## Q-- election results?

MR. RHODES: I would not use the word "democracy" to describe the Syrian election results. I think that was essentially a farce. Not only were many Syrians completely unable to vote, but they were also unable to vote because they're under bombardment from a dictator who has done everything he can to restrict the ability of the Syrian people to determine their own future.

So we see it as nothing more than a farce in service of the regime's propaganda goals. It will have no impact on our continued support for the opposition and for a political process that can bring about an actual transition in Syria.

QOne more, quick. The President sat across from Lech Wałęsa last night at the dinner. They have an interesting history in the sense that Lech Wałęsa has openly criticized the President before. The President had some kind words to say about him today. Can you give us any color about what they talked about at dinner, whether there is a warming of a friendship between the two of them?

MR. RHODES: I didn't speak at length to the President about it, but they definitely exchanged words at the dinner. And, look, the President did say to us that Lech Wałęsa is a man who did as much as anybody to help bring about freedom and democracy in Eastern Europe. And the fact that he has occasionally criticized certain policies of the President in no way diminishes the respect we have for his extraordinary achievements. In fact, the fact that we all have different views on different issues in Europe and the United States is part of our democratic transition. So he was very glad he could pay tribute to him in his speech today.

And again, I think the central message of his speech, in addition to our strong message of support for Poland and its security, was, number one, the notion that what's happening in Ukraine is a direct line to what we saw in Poland in that it's free people standing up to make decisions about their own future. And, number two, that we can never take for granted our democracy, that a country like Poland knows more than any that there needs

to be a real security commitment to protect democratic institutions, and we can't grow complacent. And so, again, Lech Wałęsa is at the heart of that legacy and the President was happy to pay tribute to him.

QOn the VA, can you confirm the report that the administration is considering the head of the Cleveland clinic? And how soon does the President want to make a decision about the next Secretary?

MR. EARNEST: Well, to paraphrase a popular line in this administration, I don't have any personnel announcements to make at this point. Certainly, your interest in the process of filling this very important Cabinet position is understandable. At this point, I'm not able to confirm any details of that process. But suffice it to say that there's ongoing work to fill that very important position, but I'm not in a position to shed any additional light about our progress at this point.

END 2:45 P.M. CET