

Press Briefing by Press Secretary Josh Earnest, 6/17/15

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June 17, 2015

The White House

Office of the Press Secretary

For Immediate Release

June 17, 2015

James S. Brady Press Briefing Room

12:48 P.M. EDT

MR. EARNEST: Good afternoon, everybody. Nice to see you all. I do not have any announcements to make at the top, so we can go straight to questions.

Darlene, do you want to go first?

Q Thank you. A question on trade. The current plan as it stands is for the House to vote separately on TPA and then have a separate vote on the TAA, send those to the Senate where they'll have to vote on them separately. Is that a path forward the White House supports? What is the President doing to get Dems to vote for it?

MR. EARNEST: Well, let me say that that is one of many different legislative strategies that's being discussed on Capitol Hill and even by White House officials, including the President, today. It's not clear to us here at the White House that a specific strategy has been settled upon by legislative leaders who ultimately will be responsible for setting and implementing that strategy.

The one thing that we have been clear about is that the only legislative strategy that the President will support is a strategy that results in both TPA and TAA coming to his desk. And as you point out, Darlene, there are a variety of ways to do that, but that is something that continues to be discussed as of a few minutes before I walked out here.

Let me just say one last thing about that, and that is specifically that we also know that for any of those strategies to succeed it will require the support of Democrats in both the House and the Senate, and it will require the House and Senate to continue to operate in bipartisan fashion when considering this issue. And over the last couple of weeks I have had kind words to say to members of Congress about their commitment to acting in bipartisan fashion and that has been critical to the significant progress that's been made thus far. But that commitment to bipartisanship and the important role that Democrats will have to play in this process moving forward will be required for us to ultimately succeed.

Q Has he had any conversations with anyone, any lawmakers other than Speaker Boehner since the vote on Friday?

MR. EARNEST: Yes.

Q ** anyone?

MR. EARNEST: I don't have any specific telephone calls to tell you about. It's been principally with Democrats, but not exclusively with Democrats.

Q Including Nancy Pelosi?

MR. EARNEST: Again, I'm not going to go through the details of the calls that he's made.

Q Can you say how awkward it will be, it may be, for the President later today to welcome members of Congress here for the picnic and then, later this week, to also fund-raise with Nancy Pelosi in San Francisco, so soon after the House Democrats deserted him on the trade issue?

MR. EARNEST: Well, again, the President and the First Lady have annually hosted a congressional picnic here at the White House. I think there have been at least one or two years where weather has prevented the event from actually occurring. But this is a nice

opportunity for members of Congress -- in both parties, I might add -- to spend time with their families on a nice summer evening on the South Lawn of the White House. And it is a goodwill gesture and a purely social occasion. And the President is looking forward to spending some time out there this evening as well.

As it relates to the President's relationship with Democrats, I think what I said about the relationship between the President and Leader Pelosi applies to the President and his relationship with the House and Senate Democratic caucuses, which is that the strength of their professional and personal relationship is more than strong enough to weather a difference of opinion over one issue, even an issue as important as this one.

Q Is it still the case that he hasn't spoken with Leader Pelosi since Friday, since he went to the Hill?

MR. EARNEST: Again, I'm not going to get into any individual telephone conversations that the President has had other than to confirm for you that he has had a number of them, including as recently as this morning.

Q And then, finally, the State Department says that when their folks go to New York later this year for UNGA, they won't stay at the Waldorf-Astoria because it's now owned by a Chinese company. Can you say whether the President will stay at the Waldorf-Astoria, or will he find someplace else to stay when he goes up for that?

MR. EARNEST: I don't have any details about the President's accommodations when he travels to New York later this year, but as we get more details on that we'll let you know.

Roberta.

Q What is the U.S. position, the White House position, on the vote in Hong Kong on election reforms?

MR. EARNEST: I'm not aware of a position that we have taken on this, but -- well, I can have somebody follow up with you to let you know if we have something to say about it.

Q And also we've heard the President talk a lot about trade and you talk a lot about trade, but less so about Ex-Im Bank.

MR. EARNEST: Principally in response to questions, but, yes.

Q But less so about Ex-Im Bank. And there's less than two weeks to go now before that deadline for the Ex-Im Bank. And I'm just wondering why the President hasn't talked as much about the Ex-Im Bank. Is that part of a deliberate strategy to keep the two issues separate?

MR. EARNEST: No, I think it's principally that many of the questions that he has entertained and that I've entertained over the last couple of weeks have been focused on the trade issue and not on the Ex-Im Bank issue. Over the last several months, as Congress has debated the necessary reauthorization of the Bank, we've indicated that Congress succeeding in doing what many Congresses before them have done in reauthorizing the Bank is important for our economy.

And that was a view that was held by Republican Presidents, including President Reagan when he signed legislation allowing the Bank to continue to do its important work.

President Obama shares that view, and there is strong bipartisan support for the Export-Import Bank in Congress. And I know that Senator McConnell, at least, has made specific commitments to some of the leading advocates of the Export-Import Bank in the United States Senate to work constructively to pass legislation that would prevent the expiration of the Bank.

Q Has the White House, though, accepted that it looks likely that there is going to be at least a temporary lapse on the authorization with only two weeks -- or less than two weeks to go?

MR. EARNEST: Well, again, this is something that Congress will have to work out. I don't know that that is a result that we have accepted. We continue to make a strong case that Congress should allow -- give the Export-Import Bank what they need to continue to do their important work. We know that they play a critically important role in helping

U.S. businesses do business overseas. That creates economic opportunity and jobs right here in the United States of America. That's a worthwhile pursuit, and we believe that's important work that the Congress should support.

Q And as the President and his top officials like Denis McDonough have been talking with Speaker Boehner and Leader McConnell and other Republicans, perhaps, on the Hill, is this something that they're talking about as well, as they talk about trade?

MR. EARNEST: I don't know. I can't give you a detailed readout of each conversation. There are some -- I wouldn't be surprised if it came up -- let me just say it that way.

Pam.

Q How does the President feel about President Putin's announcement that he's going to put 40 ICBMs into stock and they can defeat the biggest missile defense system that is available?

MR. EARNEST: Pam, we had the opportunity to talk about this a little bit yesterday. And what continues to be true is that saber-rattling like this does nothing to deescalate conflict. And the United States has repeatedly stressed our commitment to the collective defense of our NATO allies. That is a commitment that we are willing to back up with action, if necessary. And that stands in pretty stark contrast to the saber-rattling that we've seen from Mr. Putin.

And you could also make a case -- and I think with some credibility -- that invoking the nuclear arsenal is even an escalation of that saber-rattling. That's unnecessary and not constructive.

Q Is there a danger of another arms race?

MR. EARNEST: Well, I think the -- I did read in The New York Times today the observation that because of the -- in part at least, because of the sanctions regime that has been put in place by the international community and the United States, that Russia doesn't have access to the kind of economic resources that they previously did, and that there are legitimate questions that have been raised about whether or not Russia would be able to succeed in following through on many of the claims and threats that President Putin has had to offer.

So, again, we continue to be concerned by saber-rattling that does nothing to deescalate conflict in that region of the world. And that's why we continue to take very seriously our Article 5 commitments under the NATO Treaty, and continue to take steps that we believe are necessary to prepare for the collective defense of the United States and our allies.

Ron.

Q Over on the Hill, Secretary Carter said that there had been a goal of trying to recruit 24,000 Iraqi recruits to the military there, but as of now there are some 7,000. And this is, as I think you would agree, the linchpin of the strategy. You say every time if there's a viable and strong ground force backed by American airpower, that the operational -- that the strategy there is successful. But with such a dearth of candidates stepping up, how can that strategy -- does the President still have confidence in that strategy? And what do you do about this missing tens of thousands of potential recruits?

MR. EARNEST: Well, Ron, this is something that the President acknowledged in the news conference that he convened in Germany last week, where he noted that the training capacity of the United States and our coalition partners exceeded the number of recruits that were going into the program. So this is something that the President has indicated as the source of some concern. And I would acknowledge -- and, in fact, I've said before -- that having a capable, well-trained, well-armed fighting force on the ground is critical to the success of our strategy.

But I would say that actually the linchpin of our strategy is a central government in Baghdad that is committed to building an inclusive, multi-sectarian government, and an inclusive, multi-sectarian security force. And part of that effort we need to see them succeed in is recruiting Iraqis into the fight. And they will only be successful in those recruitment efforts if they can continue to inspire confidence in the diverse Iraqi population that the central government and the Iraqi security forces are committed to the defense of every citizen in Iraq.

Q It's not just that our training capacity exceeds the number of recruits -- although that's true -- the problem seems to be the other way around, that there's just not enough recruits, as I think you were saying. But are there specific things that the United States can do to push the Iraqis to do this? And further, with the increasing number of American military forces now going over there, doesn't the lack of success with this

program put them more at risk, particularly if those numbers continue to increase and they tend to lily-pad out -- as I think the term has been used -- to other parts of the country?

MR. EARNEST: Well, I think that was raised as a possibility. I don't think that that was raised as an intention at this point. Let me say a couple things about that. One thing that the United States can do and one thing that the President can do is raise these concerns directly with Prime Minister Abadi. And that's something that he also had the opportunity to do in their face-to-face meeting in Germany last week.

The other thing that the President indicated would be useful -- and this is part of the expansion of the training mission that the President announced last week -- is that by establishing this additional base at Taqaddum and deploying an additional 450 U.S. forces to Anbar Province we can accelerate the recruiting, mobilization, training, and equipping of Sunni fighters -- something which the Iraqi cabinet has indicated is part of their strategy.

And there is some momentum behind that effort, that we did see last week that 1,000 new Sunni fighters were inducted into the Iraqi Popular Mobilization Force. And I understand that even just today, another ceremony was held where several hundred additional Sunni local fighters were inducted into the Popular Mobilization Force.

And again, for this effort to offer advice and assistance and training to both Sunni fighters as well as members of the Iraqi security forces, we're going to need to see the Iraqi government try to tap every element of their population to build this multi-sectarian security force.

Q But the bottom line, is it fair to look at this goal -- 24,000 -- and this actuality of 7,000 and say that there's a huge problem here and that in some limited time frame this needs to be addressed and the numbers need to -- I mean, here's a metric that we can look at, two weeks, two months from now? What's a fair time frame to look at that again and say, this is working, this is not working, we need to do something radically different?

MR. EARNEST: Well, again, Ron, I think the first thing that we would do to evaluate the success of this particular endeavor is to examine the performance of those fighters that have gone through the training program. And the early results are encouraging in terms

of the way that those forces have performed after receiving training and when they receive the support of military airstrikes from the United States and our coalition partners.

And what we want to do is we want to see more recruits benefit from that kind of training, advice, and assistance. There is some momentum in terms of the more recent efforts related to recruiting Sunni tribal fighters into the fight -- that will be critically important in Anbar Province. But there is no doubt that we would like to see, as the President said last week, an increased flow of Iraqi fighters through these training programs.

Q Just one thing on the trade thing. Representative Clyburn, just in an interview with Andrea Mitchell, said that -- he kind of repeated what Nancy Pelosi had been saying that the vote was a sign that the caucus wants to slow this process down and have input. In principle, does the President agree with that notion that this process needs to be slowed -- is he willing to accept that the process should be slowed down, that there should be more input? Or does he think that the process should accelerate? Or does this -- will that tie his hands in dealing with the other nations he's negotiating with?

MR. EARNEST: Ron, the President has complete confidence in the most progressive trade promotion authority legislation that's ever passed both the House and the Senate. This is a piece of legislation that writes in higher labor protections. It writes in enforceable higher environmental standards. It writes in protections for intellectual property. It codifies agreements to protect basic human rights.

This is entirely consistent with the kinds of progressive values the President has championed during his time in office. And so he is pleased with the trade promotion authority legislation that's already passed both houses of Congress with bipartisan support.

What he would also like to see and what must be a component of this package is trade adjustment assistance that offers meaningful assistance to workers who are affected by these broader global economic forces, many of them completely unrelated to trade agreements. And the fact is the President would be seeking an extension of trade adjustment assistance even if we weren't in the middle of trying to negotiate trade promotion authority.

So what the President believes is that we have bipartisan support for a package that he feels confidence in -- that he has confidence in that clearly reflects the kinds of progressive values the President has long fought for. The next stage, in the mind of the President, is making sure that TAA is included as a component in this package, and then giving Congress ample time to actually take a look at a final TPP agreement, if and when those negotiations are completed.

And the President has committed to making sure that Congress will have ample time to consider that document. In fact, the President himself has said he will refrain from signing that document for 60 days to give the American public and Congress opportunity to take a look at the agreement before he even signs on the dotted line. If he chooses to do so, and when he does, then that would then start the process for congressional consideration. And there would be ample time for Congress to then consider it when it's been sent up there. So there is ample time for Congress to consider any sort of trade agreement prior to it going into force.

Q So just to -- the short answer seems to be, no, he is not inclined to slow the process down?

MR. EARNEST: The short answer is that the President has a lot of confidence in the most progressive trade promotion authority legislation that Congress has ever passed.

James. Nice to see you today.

Q Josh, nice to see you. I was going to take issue with your assertion that tonight's picnic is a purely social occasion because we both know there are no such occasions in Washington, D.C. (Laughter.) Instead, I'm going to just ask a couple on Iraq and then one on trade.

MR. EARNEST: Okay.

Q Is Iraq today a quagmire?

MR. EARNEST: Well, James, that's not the word that I would to describe it. Iraq is a chaotic place and it is a place where our men and women in uniform who are there are serving our country in a dangerous place. At the same time, because of the commitment of the central government in Iraq to unify that country and to govern in a multi-sectarian inclusive way, there is promise for Iraq's future. And a commitment to that political path, and a commitment to building a multi-sectarian security force that works hard not just to push back ISIL but also to protect the basic human rights of the Iraqi population will be critical to their success in the future.

Q We've talked at length about the difficulties in establishing real and meaningful sectarian reconciliation in Iraq. But is one of the problems in Iraq that the Sunnis don't trust America right now -- our intentions, our capabilities?

MR. EARNEST: Well, I think it's hard to speak in a broad generalization. No doubt there are some who may have some doubts about the United States and our intentions. We've been clear about what our intentions are, and that message has clearly gotten through because just last week, 1,000 new Sunni fighters were inducted into the Iraqi Popular Mobilization Forces, several hundred were inducted today. And many of those tribal fighters are actually going through training programs that are being conducted by U.S. military personnel.

And we're, in fact, trying to capitalize on some of the momentum behind those recruitment efforts by opening up another base where we can do even more of this recruiting in Anbar Province, which, as you know, is obviously dominated by Sunnis.

Q One more on Iraq. The President, during his G7 news conference in Germany last week, spoke of his desire to get the Sunni tribes involved more rapidly. He then said, "This is part of owhat helped defeat AQI...during the Iraq War" -- for the transcribers, there should be an ellipsis between "AQI" and "during." But in any case, I was struck by hearing the President refer to the defeat of AQI because that suggests to me that he is quite aware that AQI, as a precursor of ISIL, was defeated, and therefore, that the rise of ISIS is something that's entirely on his watch and something for which he should accept responsibility.

MR. EARNEST: The reason that that's not the way that we see this, James, is that there is no doubt that there are a couple of important facts here. The first is that AQI didn't exist until the United States had invaded Iraq in the first place, under the leadership of the previous administration. What's also true is that out of the remnants of the defeated AQI

sprang ISIL. And the primary responsibility for that actually lies at the feet of Prime Minister Maliki, who failed to govern Iraq in an inclusive way, but rather, because of his failed leadership, allowed sectarian divisions to emerge and weaken that country and create an environment where ISIL was able to make surprising and significant gains across the countryside.

And that's why, as Ron and I were just discussing, we believe that the linchpin of the strategy is actually a commitment, a genuine commitment, on the part of the central Iraqi government to unite that country, to govern in a multi-sectarian, inclusive fashion, and to assemble a security force that will essentially secure the country in the same way.

Q So as the group that the President disparaged as a “junior varsity team” rose up from a defeated AQI and gathered enough strength to be able to take over huge swaths of territory in Syria and Iraq, this was chiefly the fault of al-Maliki, and Barack Obama bears no responsibility whatsoever?

MR. EARNEST: Well, James, I think the point is the Iraqi people, the Iraqi government and the Iraqi security forces have to be responsible for the security situation in their own country. And the United States is certainly ready to partner with the Iraqi government and the Iraqi people as they try to take on that difficult task. We've assembled an international coalition to offer them that support. But ultimately, in the mind of the President, it's clearly in the best interest of the United States and our citizens and our national security interest for the Iraqi people and the Iraqi central government to take responsibility for their own country.

Q One on trade. You have declined to inform us whether the President has been in touch with Minority Leader Pelosi, but given the outcome of the trade vote and particularly the large numbers of defections by Democrats, does President Obama still have confidence in Congresswoman Pelosi as the minority leader of the Democrats in the House?

MR. EARNEST: Absolutely. And as I mentioned earlier, the strength of their personal and professional relationship is more than enough to withstand a difference over one particular policy issue, even one that's as important as this one.

Thanks, James.

Jon.

Q Quick clarification on trade. You said that the legislative strategy the President wants is TPA and TAA. Are you saying that the President would veto trade promotion authority if it came to his desk on its own?

MR. EARNEST: Well, Jon, what is currently being discussed on Capitol Hill is a strategy for advancing this process forward. And the President has made clear that TAA is a necessary component of our strategy to help the American economy and American workers weather these broader forces of a global economy.

So what we have said is that the legislative -- the only legislative strategy the President can support is one that will result in both pieces of legislation arriving at his desk. Now, there's also this fundamental question -- and this may go to what you're asking -- about whether or not they have to arrive at the same time, on the same day, as part of the same legislative vehicle, or separately. That's exactly what's being discussed on Capitol Hill right now.

Q You have a situation now where trade promotion authority, fast track, has passed on its own in the House. It's passed as part of a larger package including TAA in the Senate. If all that comes to the President's desk is trade promotion authority without that additional assistance for displaced workers, would he veto that bill?

MR. EARNEST: Well, if there is a strategy that is put in place that only allows TPA to pass, that's a strategy that the President won't support. That's significant because --

Q I'm not asking about strategies, I'm asking whether he would veto a bill. Would he veto trade promotion authority on its own?

MR. EARNEST: And what I'm saying, what I'm trying to convey is that I don't think it's going to come to that. It won't come to that. And the reason that it won't come to that is that the strategy that the President will back is a strategy that will provide a clear path for

both TPA and TAA to come to his desk. The significance of the President's backing for the strategy is that we know that in both the House and the Senate, for the strategy to succeed, it will require Democratic votes.

Q Okay, and if I can come back to the question of the Waldorf-Astoria, now owned by the Chinese. First of all, can you confirm that the U.S. will not set up the traditional shop that's set up there when the President goes up for UNGA? I'm not going to ask you where the President is going to stay; I'm asking about all the offices, the file -- is there some kind of a concern with the Chinese owning the Waldorf that we are now going to -- the United States is now going to move that operation?

MR. EARNEST: Jon, I just don't know what sort of accommodations will be in place for the September trip. But as we get closer, we can give you some more details.

Q Is there a security concern or an intelligence -- counterintelligence concern about the Chinese purchase of the Waldorf? I mean, obviously I think I'm still correct that the United States Ambassador to the U.N. lives at the Waldorf.

MR. EARNEST: You should check with the State Department. I'm just not aware of all these details. I think that may be true, but, again, you should check with them.

Q But do you know if there is a concern about that now -- basically the Chinese being the landlord for the U.S. Ambassador to the United Nations?

MR. EARNEST: Again, I'd refer you to the ambassador's office. I'm sure they can give you details about any precautions they felt were necessary.

Q Okay, and then just one last 2016-related question. I know you like those. (Laughter.) Donald Trump, he has said again that Oprah Winfrey would make a terrific running mate. The President is very close with Oprah Winfrey -- tempted to support a Trump-Oprah Winfrey ticket? Would that sway his --

MR. EARNEST: I think the President has been very clear that he intends to support the Democratic nominee in the presidential race.

Q That's all you've got on that?

MR. EARNEST: I think so. Thanks for asking, though. (Laughter.)

Bob.

Q Actually a follow-up to what Jon was asking about on trade. The President wouldn't be willing to take half of the loaf if it's the half in particular that he does want out of this legislation?

MR. EARNEST: Well, the answer to that is no. And it's simply because the President does believe that TAA is a priority. And that's why the strategy that he will support in Congress is a strategy that will allow both TPA and TAA to come to his desk.

Look, the President felt so strongly about trade adjustment assistance that last week he traveled to Capitol Hill, attended a House Democratic Caucus meeting at the last minute, and made a forceful case to Democrats about why they should support trade adjustment assistance. So the President's commitment to that legislation and to this issue I think should be pretty clear. And that is a policy priority that continues to have an impact on our view of the legislative strategy that should be put in place to move this forward. But, look, the President believes that both TPA and TAA are critical to the future of our economy and critical to making sure that the U.S. economy and that U.S. workers are well positioned to deal with these rapid changes of a 21st century globalized economy.

Q One just last quick one. Put aside TAA, could this become a chicken-and-egg thing? Because the Democrats seem to want to see a more solid version of TPP before they're going to go for TPA. Is the President willing to play that kind of chicken-and-egg game thing? Because it has now been extended for a month.

MR. EARNEST: The good news, Bob, is that we've seen both Democrats and Republicans support, in the House and Senate, TPA. So we built that bipartisan majority. In both cases, the passage of TPA depended upon Democrats. And so in determining this legislative path forward to eventually get both TPA and TAA to the President's desk, the

view of Democrats will be critical to determining the course of action here. And so that's why you see the President and the White House staff so deeply engaged with both Democrats and Republicans on Capitol Hill.

Q The TPP information that's up on the Hill, is that being updated on a regular basis or as negotiations or however these things are going --

MR. EARNEST: It is updated as necessary. As you know, there is actually an office on Capitol Hill that's been opened up by USTR. This is an unprecedented effort on the part of USTR to make sure that members of Congress could have access to the current status of TPP negotiating documents. But I'm not sure the last time that it was necessary to update those documents.

Toluse.

Q Thanks, Josh. You've said multiple times that there's no coherent strategy that you all have endorsed yet. And I'm sort of wondering why, several months into this debate, the White House doesn't have a strategy for getting Democrats onboard, given the fact that Nancy Pelosi said yesterday that she doesn't even think that you need TPA. So I'm wondering why the White House doesn't come out and endorse a strategy and figure out how to get Democrats to support this when you don't seem to have the allies that you need among the Democratic leadership.

MR. EARNEST: Well, Toluse, you won't be surprised to hear that I strenuously disagree with your description of the events. Let me just remind you that TPA actually did pass the United States Senate with the strong support of Democrats. TAA passed the United States Senate with the strong support of Democrats. TPA also passed the House of Representatives with the strong support of Democrats and Republicans.

But, yes, there still is this missing element of TAA that the President has described as a critical component of our broader strategy. So we are working with Democrats and Republicans on Capitol Hill to determine the path forward that would allow both TPA and TAA to come to the President's desk.

Q Do you feel that you have the allies that you need, given that Speaker Pelosi has said that you don't need fast track, and she did sort of stand up as the stumbling block to, many have said, to basically shut this down and make sure you didn't get it last week? And for the last few days you've said that you don't have a strategy yet for how to get it through. So I'm wondering if you feel that you have the allies that you need.

MR. EARNEST: Well, again, Toluse, to be clear about this, TPA did pass the Senate, it did pass the House, with bipartisan support, with the support of Democrats, much to the skepticism -- legitimate, understandable, credible skepticism -- of people in this room about whether or now that could get done. But it did.

And so the question now is, how are we going to carve out a path forward to bring both TAA and TPA to the President's desk. And ultimately, that's the responsibility of legislative leaders in the Congress to figure out how to get these things done. The President served the United States Senate for four years. He enjoyed his time up there. But ultimately, he knows, based on his own personal experience, that carving out these kinds of legislative paths is ultimately the responsibility of congressional leaders.

Of course, the White House has been engaged in those conversations, and, of course, we're going to weigh in with some preferences, but ultimately, that's their responsibility. And the only strategy that we will endorse is one that results in both TPA and TAA having a clear path to the President's desk.

Q I want to ask you about Greece and then the Dominican Republic. The Greek Prime Minister said today that he's prepared to take responsibility for talks breaking down and rejecting what he says is a bad deal for solving the debt crisis that they have. Given the fact that it seems like the European Union and the Greek Prime Minister are prepared for things to break down, is the White House still sort of sticking to this confidence that you have said that you have that things are going to work out? Or are you feeling a need to engage more and sort of turn up the notch in terms of making sure this doesn't end up badly?

MR. EARNEST: Well, Toluse, ultimately this will be the responsibility of the Greeks and their international partners to work this out. And Secretary Lew has principally been responsible for representing the interests of the United States and trying to facilitate some of those conversations, but ultimately it will be something for them to resolve.

You may have seen from the Treasury Department that they read out a telephone call that Secretary Lew and Prime Minister Tsipras had just last night to discuss these issues. I think that's a pretty clear indication that this is an issue that has the attention of the administration and is something that we consider to watch. But we continue to have confidence that this is something that can and will be resolved, principally because it is so clear in the interest of everybody sitting around the negotiating table to resolve them, again, in a way that doesn't add undue volatility to the financial markets.

And it is possible, if they work collaboratively, to find a -- essentially to lay the groundwork for sustainable economic recovery in Greece, while also implementing critically important fiscal reforms. And that's something that they continue to work on. And the United States will continue to play a role to facilitate those conversations, but ultimately it will be the responsibility of the Greeks and their international partners to resolve the situation.

Q And on the Dominican Republic, there's a deadline tonight for potentially hundreds of thousands of Haitian nationals to be made eligible for deportation. It's sort of a mass deportation. I'm wondering if the White House is engaged on this. Has any here or in the administration reached out to the Dominicans or the Haitians to talk about what you think is the best outcome?

MR. EARNEST: I've read a little bit about this issue. But for any sort of information about the role of the United States or conversations that we've had with either the Haitians or the Dominicans, I'd refer you to the State Department.

Jim.

Q Yesterday at the House Oversight hearing, they were discussing the data breach at the Office of Personal Management, and after that hearing, the Chair of the committee, Jason Chaffetz, called on the Director of the OPM, Katherine Archuleta, to step down. What does the President make of that? Does he still have confidence in Ms. Archuleta?

MR. EARNEST: Jim, I can tell you that Director Archuleta, other senior officials from OPM, DHS, the administration's Chief Information Officer, Tony Scott, even an official from the Department of Interior spent nearly three hours yesterday testifying before the House Government Oversight Committee. That is an indication of this administration's

commitment to cooperating with legitimate congressional oversight and they understandably face some tough questions. And they've tried to provide as much information as possible to the United States Congress.

The reason they were able to do that is because this is an issue that they've been working on for some time; that Director Archuleta, in one of her first priorities that she identified after taking that job, was to upgrade the OPM computer network, particularly their cyber defenses. And this is obviously an ongoing process, and the President does have confidence that she is the right person for the job.

Q And even though one of the first jobs that she had was to upgrade their cyber defenses, does he feel that she has done an adequate job?

MR. EARNEST: Well, Jim, there obviously is a lot of work that needs to be done there, but there's some important work that's already been done. You'll recall that the reason that this cyber intrusion was detected is because OPM was in the final stages of adding important security upgrades to their computer network. There has been some discussion about this Office of Inspector General report identifying some weaknesses in the OPM computer network. That report was issued after OPM was already in the midst of upgrading their cyber defenses. And the IG report identified 11 elements of the network that were particularly vulnerable.

The work had already been started to upgrade the protections for those networks prior to the issuing of the Inspector General report. And OPM announced -- or at least indicated yesterday in the hearing that that work had been completed and that those vulnerabilities had been addressed. And I think that is an indication that OPM, under the leadership of Director Archuleta, recognizes that this does need to be a priority and that there is significant and important work that needs to be done to make sure that they're fulfilling their responsibility to protect the data of federal workers.

Q And has the President or the Chief of Staff, anybody high level here at the White House, spoken with Director Archuleta to make sure that this is going to get taken care of?

MR. EARNEST: As you would expect, when the Office of Personnel Management is dealing with an issue as important as this one, that a number of senior White House officials have been in touch with the senior leadership at OPM.

Q Can I switch to Syria? Yesterday, at around this time -- I think during this briefing -- the Secretary of State was holding a briefing, I believe via videoconference, over at the State Department, during which he said, absolutely, he believes that Syria used chemical bombs -- the Syrian regime has used chemical bombs in that civil war. And I just want to go back to the red line question. And I know it makes people wince inside this White House when we bring this up, but --

MR. EARNEST: I'm not wincing.

Q Okay. Well, let me ask you this. Does the Secretary of State's conviction that Syria absolutely has used chemical bombs constitute crossing that red line that the President drew?

MR. EARNEST: Jim, we indicated, back in the summer of 2013, the intelligence community had concluded with high confidence that the Assad regime had used chemical weapons. And this administration proceeded to engage in an effort to try to resolve the significant concerns about an action like that.

And what this administration did -- working closely with our partners around the world, including Russia -- succeeded in getting the Assad regime to acknowledge that they had a stockpile of chemical weapons. We then worked with the international community to round up those chemical weapons. And we used the unique capabilities of the United States to destroy those chemical weapons, both to ensure that they cannot be used against the Syrian population, but also to prevent against the real risk of proliferation; that those weapons could fall into the hands of extremists or terrorists that actually seek to do harm to the United States or our interests.

Q But despite those efforts, it appears the Assad regime is using chemical bombs.

MR. EARNEST: Well, the reports --

Q Chlorine bombs.

MR. EARNEST: Right. So that's a very important distinction.

Q Well, maybe not to the people on the ground.

MR. EARNEST: Well, but it is when it relates to the kind of threat that they pose both when it comes to the proliferation risk and to, yes, to the potential damage that it could do. There is no doubt -- you've heard me use rather colorful language over the last two or three years in describing the terrible atrocities that have been committed by the Assad regime. That includes the use of barrel bombs, and that includes the use of chlorine as a weapon.

But the fact is that chlorine is also an industrial chemical that it does have legitimate purposes. I don't think there's anybody who stood at this podium or any other suggesting that every -- that all chlorine should be removed from Syria. What we've insisted upon is that the outrageous, catastrophic, violent behavior of the Assad regime that's been perpetrated against the Syrian people should come to an end. And that includes the use of chlorine to try to attack people.

Q And if the Assad regime were to use something that the White House considers to be chemical weapons -- the use of chemical weapons -- that red line threat still exists, does it not? Because even after all those efforts to remove all those chemical munitions, I would guess -- I would hazard to guess that this White House would want to still enforce that red line in the future; that that redline still exists.

MR. EARNEST: Well, Jim, of course it does. The point is, though, that the declared chemical weapons stockpile that Assad previously denied existed has now been acknowledged, rounded up, removed from the country and destroyed, precisely because of the work of this administration and our successful efforts to work with the Russians to accomplish that goal.

So yes, that red line is absolutely still in place. But the fact is, that's less of a threat than it was two years ago because of the concrete actions taken by this administration and because of our ability to work successfully with the Russians in this endeavor.

Q And one last thing. I don't know -- I don't believe this has come up recently, so forgive me if it has. But the VA hospital in Denver -- the latest estimate is it is going to cost \$1.73 billion, nearly triple its original budget. What does the President make of that? And after all of the efforts that were made to reform the VA, how is something like this still going on?

MR. EARNEST: Jim, let me have the Office of Management and Budget follow up with you on this.

Q But does that concern you at all?

MR. EARNEST: Well, of course we're all concerned. We're concerned about a couple of things. One is, we're concerned about making sure that our nations veterans have access to the kind of treatment that they have earned. But we also recognize that there is an important responsibility that the federal government has to be good stewards of the taxpayers' dollars. And there should be a way for us to use those resources to make sure that we are caring for our veterans, and the President is determined to make sure we do that.

Rebecca.

Q Thanks, Josh. I wanted to ask you about the President's travel to California later this week. The DCCC event that he is attending in San Francisco on Friday is being hosted by Tom Steyer who has been pushing the President to reject Keystone. And I'm just wondering, have the President and Steyer spoken about Keystone in advance of this event?

MR. EARNEST: No, I'm not aware of any discussions they've had on that particular issue. Mr. Steyer is a well-known advocate for policies that are good for the environment, particularly policies that will limit carbon pollution and other contributors to climate change.

And obviously the President has an exceedingly strong record, maybe even a historically strong record, in confronting those issues. So you'd have to talk to Mr. Steyer to find out exactly why he decided to host the President, but I wouldn't be surprised if it was related

to the President's very strong record of trying to cut carbon pollution and putting in place policies that will be in the best interest of our economy and the best interest of our planet.

Q Steyer has also been publicly urging an end to a tax loophole that allows private equity managers and venture capitalists to be taxed at a lower rate. Do you know if they have spoken about that issue at all?

MR. EARNEST: No. But I do know that that's -- it sounds like, based on the way you described Mr. Steyer's position, that it may be a position that he and President Obama have in common. Again, President Obama has long advocated that we should close loopholes that only benefit the wealthy and well connected, and use some of that revenue to invest in the kinds of things that benefit everybody. And whether that's free community college or expanded early childhood education, or even important investments in our infrastructure.

So again, I'm not aware of Mr. Steyer's position on that particular issue, but it sounds like it might be something that he agrees with the President on.

Q Is the White House making any attempts to close that loophole?

MR. EARNEST: Well, we are. We put forward a very specific plan earlier this year, in the context of our budget, for doing exactly that, and using revenue from that change to make critically important investments in the middle class. And it's entirely consistent with the President's view that expanding economic opportunity for the middle class should be our top priority.

Jared.

Q Josh, you have been meticulously careful, and the President as well, to avoid reacting to just about everything that's happening on the 2016 campaign trail, much to the disappointment I guess of everybody in here. When we're talking about the conversation between Minority Leader Pelosi and President Obama that hasn't happened -- or at least you haven't been able to confirm for us that it's happened in the last five days -- is that because there was a campaign trail callout from Hillary Clinton to the President to listen to Nancy Pelosi? And is that why we're not hearing about this conversation from you?

MR. EARNEST: No. It's simply that I don't have a list in front of me of all the calls that the President has made. And I also don't want to be in the business of reading out some of the private conversations that the President has had as well.

Q Would you consider the conversation that Chief of Staff McDonough had with Pelosi - - and then I'm guessing relayed some of that to the President -- fulfilling Clinton's request that the President listen to Nancy Pelosi?

MR. EARNEST: Well, again, you'd have to ask Secretary Clinton if she thought that was sufficient. We're focused on --

Q But I'm asking you if you think that you did what she asked.

MR. EARNEST: Well, the call between Mr. McDonough and Ms. Pelosi would have occurred regardless of any comments on the campaign trail.

Major.

Q Just to go back to Syria. Does the President share Secretary of State's certainty that chlorine gas has recently been used in Syria?

MR. EARNEST: Well, Major, I haven't read sort of the latest assessment either from the Department of Defense or the intelligence community on this. But for a definitive view in terms of the --

Q Does the President share the Secretary of State's certainty?

MR. EARNEST: Well, the President would rely on both the input of the Secretary of State as well as assessments from the intelligence community, as well as assessments from the Department of Defense on this matter.

Q I don't need to tell you he's been reluctant to so declare. The Secretary of State has and he still remains reluctant to declare with certainty that chlorine gas has been used, correct?

MR. EARNEST: Again, the President is going to rely on the specific advice that he gets from -- or the specific assessment that he gets from the intelligence community and the Department of Defense. And obviously the Secretary of State has information that is relevant to that discussion as well.

Q Okay. Is it fair to assume, based on what you told Jim, that even if he is certain, it wouldn't change policy -- that this chlorine gas is different than the other chemical munitions the President believes he has successfully moved out of Syria?

MR. EARNEST: Yes, we have the declared --

Q So we have not changed policies?

MR. EARNEST: According to our international observers and experts, the declared chemical weapon stockpile in Syria has been destroyed. But the use of chemical -- of chlorine weapons would be, and is, entirely consistent with the terrible acts of violence that we have seen the Assad regime perpetrate against innocent Syrians.

Q Right, but other than rhetorical condemnations, policy would not change?

MR. EARNEST: Well, again, I think the President has indicated, as we've talked about quite a bit over the last several weeks, that the President and his national security team are always reviewing their policy to make sure that we have the most effective one in place to accomplish our goals.

Q Will there be a visit next week here to those working with the President on the final formulation of the hostage review process to explain to them where things are and what the administration will be attempting to achieve as it revamps its approach to that issue?

MR. EARNEST: Well, this is obviously something that has been a priority of the President's and his national security staff, including Lisa Monaco, the President's top counterterrorism advisor, has been closely watching this issue and been working on some of the review efforts. Those review efforts have included an intensive policy process and they've included detailed and frequent consultations with those families that have gone through this wrenching experience. And what we've indicated is that we expect to have the results of that review available soon. And as we have more details about how that announcement will take place, we'll let you know.

Q But are there plans to meet with them and discuss it with them face to face?

MR. EARNEST: When we have more details on this, we'll let you know. I certainly wouldn't rule that out.

Q All this dancing around whether or not there was a phone call to Nancy Pelosi indicates that you now and the White House believe --

MR. EARNEST: I'm not really dancing around it. I'm just telling you that --

Q Well, look, you created this artificial filter that you're not going to read out -- we're not asking for readouts. We're asking did he pick up the phone and did he talk to the number-one Democrat in the House that just stabbed him in the back on TAA? (Laughter.) That's a real simple question -- yes or no?

MR. EARNEST: And I'm telling you that the White House Chief of Staff picked up the phone and called her on Monday --

Q We know that --

MR. EARNEST: And the President has made a large number of calls over the last three or four days.

Q Right. I'm not asking about a large number of calls to people who are slightly less relevant to resolving this than the Minority Leader of the House. That's all we're asking about. Did he call her -- yes or no?

MR. EARNEST: Major, I guess -- let me question I think a premise of your question that is open to some scrutiny, which is --

Q They're always open to scrutiny.

MR. EARNEST: They are -- the nature of the job. The people who are most relevant to trying to find this path forward are people who are part of the bipartisan majority that have allowed this legislation to advance. That's why the President has frequently been on the phone with both the Speaker of the House --

Q And Majority Leader of the Senate --

MR. EARNEST: -- and Majority Leader in the Senate. It's why --

Q He hasn't been on the phone with Pelosi, right?

MR. EARNEST: But, again, Major, she doesn't want the legislation to advance.

Q So he didn't call her, right?

MR. EARNEST: I'm not going to read out every conversation that the President has.

Q I didn't ask you for a readout.

MR. EARNEST: Okay. That's fine.

Q But a readout is not the same as confirmation on a phone call.

MR. EARNEST: Major, I'll look into it, but I don't know this is a fruitful exercise.

Q It's not an irrelevant question. It's not an illegitimate question.

Q Can you answer?

MR. EARNEST: I didn't say that it was. I do think, though, that -- I think the premise of why you think this is so important, though, is open to significant questioning.

Q Question the premise all you want. Just answer the question.

Q Well, we have to assume the answer is no.

MR. EARNEST: You can assume whatever you'd like.

Q But isn't that a fair assumption?

MR. EARNEST: Have we exhausted this, or can I move on?

Q So then, to take your last point, is the Senate now the place where this has to be reevaluated and a new legislative strategy has to be formulated?

MR. EARNEST: Not necessarily. There is a bipartisan majority for --

Q Why not?

MR. EARNEST: Again, because there is a --

Q The House appears to be stuck. If you ask them, they say they're sort of stuck.

MR. EARNEST: Can I try to give an answer?

Q Go right ahead.

MR. EARNEST: Okay, thank you. The only legislative strategy that the President of the United States will support is a strategy that will result in both TPA and TAA coming to his desk. There are a variety of proposals that have been floated both in the House and in the Senate for successfully doing that. Any strategy that will succeed among those variety will require both Democrats and Republicans to support it.

I do not have a lot of optimism, though you should check with Leader Pelosi, that she will be supportive of any of these strategies. I would anticipate that a number of the Democrats, maybe even all of the 28 Democrats in the House who did vote in favor of TPA, would likely cooperate with that kind of strategy. But they're going to be in close consultation with both the President and the White House as they consider those strategies moving forward.

But, ultimately, this will have to be a decision that's made by the Senate Majority Leader and the Speaker of the House. But they're going to do it in close consultation with Democrats because they know that Democratic support will be required for the success of the strategy.

Q Thanks, Josh.

MR. EARNEST: Thank you, Major.

Byron.

Q Thanks, Josh. In 2008 and 2012, the President banned donations from registered lobbyists to both his campaigns. This cycle, no major candidate has followed that example, including Democrats Martin O'Malley and Hillary Clinton, who are both accepting lobbyist contributions. Is the White House disappointed in those decisions?

MR. EARNEST: Byron, the President knows from having run his own campaign that these are essentially policies that need to be established by those who are running the campaign. So I would also note that the President's foundation has also indicated that they will not accept donations from PACs or lobbyists while the President is in office either. So the President has been very serious about this commitment, and it's something that he believed was important. But for decisions that are made by individual candidates, I'll let them explain it.

Q Broadly, does he think it's possible to run a clean, ethical presidential campaign while taking lobbyist donations?

MR. EARNEST: Well, of course. I think the President's view, and the way that he articulated this, is that he felt it was important to send a very clear signal that we're going to change business as usual in Washington. And lot of that was focused on transparency. There were a number of steps the President took in the context of his campaign to be more transparent than previous campaigns had been.

One example of that is the administration -- or the campaign began the practice of releasing the name of bundlers for his campaign. That was a transparency innovation of the campaign, and reflected his broader commitment to greater transparency in financing of the campaigns, but also in sending a clear signal about changing business as usual in Washington.

But again, each of the candidates will have to make their own decisions about the best way for them to demonstrate that commitment.

Q One more. The Benghazi Select Committee heard yesterday from a close confidant of Hillary Clinton for more than eight hours. Top Democrats have said -- the top Democrat on the committee said that it's become the committee to investigate Hillary Clinton. Does the White House agree with that assessment?

MR. EARNEST: Well, my understanding is that that is a conversation -- testimony that occurred behind closed doors. So it's difficult for me to evaluate that exact -- that claim.

But what I will say is that there certainly have been some questions and doubts raised by the fact that there have been eight different congressional committees that have looked into this. Mr. Gowdy leads the eighth. The previous seven have been very clear about what the facts show, and the facts do not substantiate the wide variety of claims that we've seen from the political opponents either of President Obama or Secretary Clinton.

So I have no doubt that the eighth committee will reach the same conclusion. I think the only open question is how long it takes them to get there.

Cheryl.

Q Thanks, Josh. I have two budget questions, just because OMB put out familiar letters again last night about the spending caps. My first question is, would the Commander-in-Chief really veto the defense appropriations bill if the non-defense bills -- if the caps aren't lifted on those?

MR. EARNEST: Yes. And the reason for that is a serious one. There are actually several reasons. One is that the funding mechanism that Republicans have floated is one that many leading Republicans have previously described as nothing more than a gimmick. The President does not believe that is consistent with any sort of serious approach to national security. And that is the principal objection of the way that Republicans are currently trying to move this legislation through Congress.

What also happens to be true is there are critically important national security priorities included on the so-called non-defense side of the ledger. This includes everything from funding for Homeland Security to funding for our veterans. So to suggest that essentially gutting funding on the non-defense side doesn't have significant consequences for our national security is dangerously naïve.

So the fact is, the President is going to -- is determined to ensure that the budgets that are eventually signed into law by the President of the United States are budgets that reflect our priorities to keep the country safe and to put in place policies that are in the best interest of expanding economic opportunity for middle-class families.

Q And then a little bit bigger picture. Wasn't it the President's idea, sort of in the first place, to want to eliminate sequestration in his budget this year and to lift the spending caps for all of these? And then doesn't that mean he should initiate bigger budget negotiations with Congress?

MR. EARNEST: Well, Cheryl, what I would point out on this is simply that the way that this was resolved previously, as you know -- I know that you cover this very closely -- is that we saw Paul Ryan and Patty Murray -- a leading Republican in the House of Representatives, a leading Democrat in the United States Senate -- sit down and work in bipartisan fashion to cobble together a bipartisan agreement to reflect the budget priorities of the country.

These are priorities both related to our economy, but also to our national security. We believe that that is an effective template for how this situation can be resolved now. And I recognize that that raises all kinds of questions about who plays which role, and how the conversations get convened, and where the meetings take place, and who's responsible for paying for the coffee. I get all of that.

But in the same way that the White House was deeply involved in those conversations between Mr. Ryan and Senator Murray, I'm confident that the White House and the administration would be involved in facilitating future conversations, because there are significant priorities involved. And in many cases, the administration will have unique insight into the intricacies of these budgetary decisions. So the administration will be involved, but ultimately it's the responsibility of Congress to figure this out, and the administration will certainly be supportive of those efforts.

And the last thing I would point out is something that you frequently hear from me, which is I continue to be confident that the only way that's going to get resolved is by working effectively across the aisle; that in order to get 60 votes on anything in the United States Senate, you're going to have to earn the votes of Democrats. And in order to get anything signed into law, you're going to have to earn the support of the Democratic President of the United States who is responsible for wielding the pen.

So we're going to need to see a bipartisan effort in Congress to resolve this. But again, the good news is this is something -- this is one of those rare occasions where Congress has succeeded in working in bipartisan fashion to get something important done, and we're hopeful that they'll do it again.

Thanks a lot, everybody. Have a good Wednesday.

END

1:48 P.M. EDT