

Press Briefing by Press Secretary Josh Earnest, 9/15/15

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MR. EARNEST: Good afternoon, everybody. Nice to see you. Let me do a quick announcement at the top and then we'll go to your questions.

I just want to begin by noting that seven years ago today, Lehman Brothers filed for bankruptcy, setting off the worst financial crisis of our lifetimes. When President Obama took office in 2009, financial markets were spiraling dangerously downward and more than 750,000 Americans were losing their jobs each month. But thanks to the hard work and dedication of American workers and businesses and entrepreneurs, and of course, to the policies that the President enacted, some of which were politically controversial and hard-fought, we've come a long way back.

And there are a number of ways to illustrate the progress that we've made so far, and I've got a couple of slides here to help illustrate what a couple of those are. So, cue the slides. Look at this, we're going multimedia here.

As the slide indicates, Wall Street has made some important progress. There are a lot of ways to measure that -- everything from the S&P 500 -- the year before the President took office, the S&P was down 39 percent. Since then, the value of the stock market has nearly tripled. You can also measure this via economic growth. Economic output declined at an annual rate of 8.2 percent during the President's -- or during the last quarter of 2008, so the quarter before the President took office. And over the last year, we've seen our economy grow at a healthy 2.7 percent over the last year. That obviously is an 11 percentage point turnaround, and stands in stark contrast to the GDP that's being posted by other countries around the world these days.

Let's go to the second slide. The second slide illustrates the significant improvement in the housing market since the President took office. The year before the President entered office, home prices had declined 8 percent. In that time, we've seen the housing market continue to recover and home prices are now back to pre-crisis levels and just last year

rose another 5 percent. So many middle-class families rely on the value of their home as an important part of their household wealth, so the improvement in the housing market is significant.

Let's go to the third and last slide, which talks about job growth. And this is our most commonly cited set of statistics. But again, before the President took office, the year before the President took office, our economy lost 4.6 million private sector jobs, but since then we've been on the longest sustained streak of private sector job creation, for a total of 13.1 million private sector jobs created since February of 2010. And the overall employment rate has been cut nearly in half, from the high of 10 percent down to 5.1 percent today. That's the lowest level in more than seven years.

When you look at this progress, it seems in stark contrast to what we are seeing from Republicans on Capitol Hill. Instead of playing games with our economic progress and imposing another set of self-inflicted wounds, Republicans need to do the job that voters have asked them to do, and that is to pass a budget that reverses the harmful cuts known as the sequester, and of course, avoids another government shutdown.

The President will make this case tomorrow when he speaks with and takes questions at the quarterly meeting of the Business Roundtable right here in Washington, D.C. The President will make the case to Congress that we cannot afford to reverse course in the progress that we've seen by playing games with the budget. And it's critical that we increase investments in infrastructure, that we support American jobs through Made in America exports, that we strengthen education and innovation, and fight to undermine -- or fight efforts to undermine Wall Street reform.

So that's something to look forward to tomorrow. The President will speak and take questions at the Business Roundtable, and that will be open to traveling press pool, so all of you will have the opportunity to see it.

So with that long windup, Nancy, thanks for your patience. Let's go to questions.

Q A couple things on the migrant situation. With the situation on the border in Hungary and elsewhere getting increasingly desperate, what is the U.S. position on mandatory quotas? And is the U.S. involved in trying to resolve the differences between different countries there about how to deal with the crisis?

MR. EARNEST: Nancy, it is clear that our friends and allies in Europe are dealing with a significant humanitarian crisis, and there's no downplaying the human cost of the instability in Syria that has led to millions of people fleeing their homes and their communities, trying to escape the terrible violence. It's led to an urgent humanitarian situation in Europe now.

You have heard me offer compliments to countries like Germany that have, both on the part of their government and their citizens, recognized the humanity of those in their midst who are suffering and tried to provide for their basic humanitarian needs. And ultimately it will be the responsibility of the nations of Europe and members of the EU to work together to confront this problem. There is tremendous capacity in the EU, both

economically and otherwise, to address this problem, but they will be more effective in confronting this problem if they act together.

I don't have specific conversations to tell you about at this point, but there certainly are administration officials that have been in touch with those in Europe and in the region who are dealing with this crisis firsthand. And the United States is committed to our role in this, which is to provide significant financial assistance to meeting the basic humanitarian needs of those who are in this vulnerable position, these migrants.

The United States continues to be the largest bilateral donor of humanitarian assistance to this crisis. The President has indicated that next year he would like to see us scale up the number of Syrian refugees that are admitted to this country, a minimum of 10,000 next year. And the President's national security team is continuing to work on other ways that the United States can continue to play a leading role in confronting this significant international crisis.

Q Does he have a position on the mandatory quotas, though?

MR. EARNEST: Ultimately, it will be the responsibility of the nations in Europe to determine that best way to work together to confront this crisis. And we've seen some countries -- Germany is the one that's gotten the most attention, and I think deservedly so, for the kind of generosity that they have already demonstrated in taking in so many migrants. And it will be important for other countries to stand with Germany as they deal with the situation.

Q And then, on Russia. President Putin said today that it's impossible to defeat the Islamic State without cooperating with the regime in Damascus -- with signs that Moscow is planning to set up an airbase in Syria. You mentioned yesterday that at the appropriate time there could be a presidential conversation. Do you have a sense of how imminent or not the appropriate time might be for a conversation?

MR. EARNEST: When our team and, most importantly, when the President has determined that it would advance our interests to have a conversation with President Putin, he'll pick up the phone and try to set up that call.

The President has made quite clear that the decision of the Russians to double down on the leadership of Bashar al-Assad is a losing bet. And the reason for that is that we have seen over the years that because of his failed leadership and because of his willingness to slaughter innocent people using the mechanics of that country's military, he's lost the legitimacy to lead that country. And we have made clear that the solution -- despite the decision of the Russians to build up their military -- the solution in Syria requires a diplomatic strategy.

And the United States has worked hard to support the U.N.-led efforts to facilitate a democratic political transition inside of Syria. And we've been pretty forthright, and I think it's pretty obvious to anybody who's been paying attention, that those efforts haven't gained nearly as much traction as we would like. So there's significant work to be done in this area.

What we would prefer to see from the Russians is a more constructive engagement with the 60-member coalition that's led by the United States, that's focused on degrading and ultimately destroying ISIL. We would welcome Russia's participation in that effort. And as we've said before, we continue to believe that their efforts to support Assad and continue to offer him support are destabilizing and counterproductive.

Q Just finally, on politics. How interested is the President in kind of the nitty-gritty of the GOP race? And is he planning to watch the debate tomorrow night?

MR. EARNEST: Well, I think even hearing some of the President's comments at the town hall meeting yesterday, it's apparent that he is following the race. He is at least a keenly interested observer to that process. But I would not anticipate that the President will watch the debate tomorrow night. The first one was held back in August, and to the disbelief of some, the President did not watch that debate. I do not anticipate that he'll watch tomorrow's either. But I'm confident that he will read the news coverage and be aware of the arguments that are made in that setting.

Jeff.

Q Josh, North Korea said today that its nuclear complex was operating and it was working to improve the quality and quantity of its weapons so that they could use them against the United States. What is the White House's response to that?

MR. EARNEST: Jeff, we're aware of the reporting that indicates the readjustment in operation of the nuclear facilities at Yongbyon, including the 5-megawatt plutonium reactor and the uranium enrichment facility at Yongbyon. We will repeat our call that North Korea should refrain from irresponsible provocations that aggravate regional tensions, and should focus instead on fulfilling its international obligations and commitments.

The position of the United States -- and this is a position that is shared by countries around the world, including significant players in the region -- is that we will not accept North Korea as a nuclear state. And that's why we urge North Korea to refrain from actions and rhetoric that threaten regional peace and security, and focus instead on fulfilling its international obligations and commitments.

And we will work with our partners in the context of the Six-Party talks to try to return North Korea to a posture of fulfilling those commitments that they've made in the context of those conversations.

Q How seriously do you take their threats?

MR. EARNEST: Well, again, I think that we're certainly aware of the actions that North Korea has taken, and I don't think I have a specific reaction to those actions, other than saying that North Korea should refrain from irresponsible provocations that serve only to aggravate regional tensions.

Q On a separate topic, GE said today that it's moving 500 U.S. power turbine manufacturing jobs to Europe because of an inability to get Ex-Im funding. Now, I know that you'll see this is a reason Republicans should allow the Bank to continue. I'm also curious to know if you are disappointed in GE for doing this instead of waiting to see how the political process plays out.

MR. EARNEST: Jeff, I won't handicap individual business decisions. Obviously there are a range of factors that influence how those decisions are reached. But I do think it serves as an illustration that there are real-world consequences for congressional inaction. And we have seen Republicans counter decades of bipartisan agreement and bipartisan support for the Export-Import Bank. And their failure to confront this situation in a timely fashion and to allow some of the funding for the Export-Import Bank to lapse has affected business decisions that are going to impact jobs.

And we hear a lot about Republicans complaining about supposedly job-killing regulations. The fact is it seems like, based on what GE has reported today, that Republicans are killing quite a few jobs on their own.

Jim.

Q Josh, getting back to Syria, there are reports that Russia is sending battle tanks to a new airbase in Syria. I know you've said that the President will talk to President Putin at the appropriate time, but does the United States view this as a provocation in that region? And what do you make of what Putin is up to? Is he banking on Assad to defeat ISIS rather than the Syrian opposition that you've invested in?

MR. EARNEST: Well, Jim, the deployment of military assets that you've cited is the assessment of the Department of Defense, so for specific questions about that I'd refer you to them.

Q Is that a provocation, though?

MR. EARNEST: Well, what it is, is it's -- we've made clear that further support, military or otherwise, for the Assad regime is destabilizing and counterproductive, principally because Assad has lost the legitimacy to lead that country. It's also clear that Assad is actually losing territory, that the latest analysis indicates that he continues to govern at, least nominally, territory that's shrinking in size. And again, that is why the President indicated that doubling down on Assad -- or Russia's decision to double down on Assad is a losing bet.

And what we would rather see is the Russians offer up some kind of constructive cooperation with the 60-member anti-ISIL coalition that's built by the United States and focused on degrading and ultimately destroying ISIL. The Russians indicate that they share that goal, and we'd like to see them work cooperatively with the rest of the international community to advance it.

Q And even though Assad has perpetrated some ungodly acts in Syria, in terms of a more effective fighting force in terms of taking on ISIS, is Putin going with perhaps the more effective fighting force? Is that a decision that you think that he's making here?

MR. EARNEST: A close look at the facts on the ground does not substantiate the claim that the Assad fighting force is effectively advancing the interests of President Assad.

Again, the amount of territory that they're defending is shrinking. And there are a variety of reasons for that, including the willingness of the Assad regime to engage in indiscriminate acts of violence against the Syrian people.

So there are a lot of -- I'm confident there are a lot of factors that go into President Putin's assessment of the situation. But I think what most observers have acknowledged is that President Assad's grip on power is weakening, and for many of the reasons that we're --

Q So you're saying -- that's the tactical decision that President Putin is making you're saying it's the wrong one?

MR. EARNEST: Well, I think he's making a strategic decision to double down on his support for the Assad regime, and I think that's a losing bet.

Q Okay. And on China, The Washington Post is reporting that the administration is holding off on sanctions against Chinese entities prior to President Xi's visit here. Is that accurate? And I guess it's a difficult question to answer because the administration has still not said publicly that China was behind the OPM hack, and I guess I'm just curious, what's the holdup with holding the Chinese accountable for their actions in cyber security?

MR. EARNEST: Jim, as I've indicated before, we are not likely to spend time talking about our plan to implement sanctions prior to their implementation. And the reason for that is we do not want to give those who may be the target of those sanctions the opportunity to plan -- or carry out a strategy to evade those sanctions before they're even implemented. So that's why we have withheld comment on specific reports about our plans to implement sanctions.

What I will say is that the only reason we're having this discussion is because earlier this year the President initiated a policy change that delegated authority to the Secretary of the Treasury to impose economic sanctions against entities that engage in bad behavior in cyberspace or benefit from that behavior. And I think what we know about the tool of economic sanctions is that it can serve as a pretty effective deterrent, even if it hasn't already been implemented; that merely having this response tool in our arsenal can advance the interests of the United States.

So we'll obviously continue to monitor this situation, and I think there are a number of steps that the United States has taken, including engaging directly between the two Presidents, from President Obama to his counterpart, raising significant concerns about China's activity in cyberspace.

You'll recall last year that five Chinese military officials were indicted by the United States Department of Justice for their actions in cyberspace. So I think it's quite clear to the public that this is an issue that the United States and the Obama administration take seriously, and it's quite clear to the Chinese government that this is an issue that we take seriously, as evidenced by the decision of the Chinese President to send Secretary Meng to the United States to meet with a range of U.S. officials in advance of his visit.

Q But just this morning your administration announced China's cooperation and some advancements that they've made with respect to climate change and acting on the climate pact that the President reached last year. Is it difficult to issue sanctions or prosecute Chinese entities for these acts when you've got these other big-ticket items at stake?

MR. EARNEST: Well, again, I don't want to get --

Q It's complicated.

MR. EARNEST: Yes, well, I think we've acknowledged that complication. But the fact is, I think it's pretty easily described that there are some areas where we're able to cooperate effectively with the Chinese to advance the interests of the citizens of both of our countries. And whether it's the climate announcement that you've just cited or trying to build international consensus around confronting Iran of their nuclear program -- you'll recall that China was a constructive partner in the P5+1 efforts; we even have some effective cooperation with China when it comes to containing the threat that is posed by North Korea and trying to de-nuclearize the Korean Peninsula.

So there are a variety of areas where we can work effectively with the Chinese to advance the interests of the American people but also the Chinese people. But that certainly in no way diminishes the significance of the concerns that we do have with some of China's policy decisions. And whether that is their activity in cyberspace or the concerns that we have about their lack of respect for basic human rights.

Q And last thing -- I've gone on too long, but is it the President's view that Hillary --

MR. EARNEST: It's possible that I've gone on too long. (Laughter.)

Q Is it the President's view that Hillary Clinton is struggling right now?

MR. EARNEST: No, that's not the President's view. As I've conveyed to you, it's unwise to draw significant conclusions about the outcome of an election 15 months before it's scheduled to be held.

Cheryl.

Q Thanks, Josh, and I know you've said that the President is going to be talking about budget and spending bills tomorrow, but there are some Democrats on Capitol Hill who say that the President should not sign even a short-term CR unless budget negotiations actually start. What is the President's view on when negotiations really need to start?

MR. EARNEST: Well, Cheryl, the President's view is that, as I described at some length before this briefing started, our economy has made a lot of important progress over the last seven years, and that's because primarily of the grit and determination of the American work force and American business leaders and entrepreneurs. It's our private sector that has led this recovery, and the American people can feel good about the momentum that we have built up.

At the same time, the last thing that this momentum needs is to be undermined by dysfunction in the United States Congress. And we've seen that once before, as recently as two years ago, when Republicans led the effort to shut down the government in protest over the Affordable Care Act. It would be a shame for Republicans to marshal a similar effort for any reason.

The fact is the Congress has a basic responsibility to pass a budget on an annual basis to fund the government at appropriate levels. And that's why the administration has regularly, even daily in the context of these briefings, suggested that Republican leaders in Congress should accept the offer from Democrats in Congress to negotiate a bipartisan budget agreement that would both avoid a government shutdown but also make sure that our nation's priorities when it comes to both our economy and our national security are adequately funded.

Q Okay, but we're barely two weeks till the end of the fiscal year. What day would you say we need to start before it's just dragged on too long?

MR. EARNEST: Well, I think it already has dragged on too long. We have been suggesting that these negotiations take place for months now. Last time, back in 2013, the last time Republicans shut down the government, we actually had to go through two or two and a half weeks of a shutdown before Republicans engaged in serious negotiations with Democrats.

We had hoped that Republicans would be able to be willing to negotiate with Democrats prior to a government shutdown, as opposed to after a government shutdown. But we'll have to see. That will ultimately be the responsibility of Republican leaders in Congress to decide whether or not they can demonstrate to the American people that they're capable of leading the Congress. And prompting a second government shutdown in two years I think is going to raise some significant doubts about their ability to do exactly that.

Justin.

Q First I wanted to look back on the answer that you gave to Jim. It sounded like you snuck a new line about deterrence and sanctions in there. And what I'm curious about is in the context of the talks that happened with Ambassador Rice and other officials over the weekend -- if the U.S. got any assurances from China either on the activity in cyberspace that has raised some concern here, or the viability of an agreement between the U.S. and China on cyber activities, on data theft, on kind of these -- was there some sort of breakthrough or significant progress made that might be solidified in the talks?

MR. EARNEST: Well, I don't have a more detailed readout of those conversations to share with you. I think we made clear that the concerns that we have about China's behavior in cyberspace were discussed bluntly by those American officials who participated in those conversations. And I would anticipate that when President Obama next has the opportunity to have a conversation with his counterpart that the President will be just as direct in conveying his concerns about the way that China has pursued some of that activity in cyberspace.

It will not be the first time the President has raised those concerns. In fact, the President has raised those concerns in each of the previous meetings that he's had with President Xi.

The reference that I made to the value of deterrence is something that I am discussing for the first time in this context, but as someone pointed out to me earlier today, we've used economic sanctions effectively in a variety of other areas, as recently in confronting Iran over their nuclear program. And we did discuss how the threat of additional sanctions did serve as a useful way to apply pressure to Iran to further isolate them and to advance our interests.

So I don't mean to introduce a new factor here, but rather to sort of draw a connection about the philosophy that we'd pursue when considering the implementation of additional sanctions to advance the interests of the United States.

Q I wanted to ask you about a pair of phone calls the Vice President had with some foreign leaders. The first one is, yesterday, he said in a conversation with his counterpart in Montenegro that the U.S. was ready to back their invitation to NATO. I'm wondering, obviously, this is probably going to draw some concern in Moscow, and if you could talk about the intentionality of making this announcement in the context of what Russia has been doing in Syria?

MR. EARNEST: my understanding is that there has been a policy process behind that decision that's been ongoing for quite some time. And the United States has talked -- the President has talked on a number of occasions about how central the NATO alliance is to not just the national security of the United States but to broader stability in the North Atlantic region. And the United States has enjoyed a lot of security cooperation from Montenegro in the past, and that sort of explains the lead-up to this policy decision that the Montenegrin leader was informed of yesterday by the Vice President.

Q On a separate call today the King of Jordan's office said that he urged the Vice President to have the administration speak more bluntly about your stance on Israeli police action against Palestinian protestors at the Temple Mount, and so I'm wondering if you could talk about where you guys are kind of on that situation as it's been developing.

MR. EARNEST: Well, Justin, the United States remains deeply concerned by the recent violence and escalating tensions surrounding Haram al-Sharif, or the Temple Mount, as it's also known. The United States, as we routinely do, strongly condemn all acts of violence, particularly in that location that's so sacred to many, many people.

It is absolutely critical that all sides exercise restraint, refrain from provocative actions and rhetoric, and preserve unchanged the historic status quo on the Haram al-Sharif Temple Mount, both in word and in practice. And that has been the long-held position of the United States. It's a position that has been conveyed to all parties in this ongoing disturbance. And that is the message that the Vice President conveyed to King Abdullah, as well.

Q And one last potential fool's errand, but Senator Hoevan, having struck out on his summertime prediction on the Keystone pipeline, has said now that the administration is --

MR. EARNEST: He's not the only one. He can take some solace in that.

Q -- that the administration is waiting until after the Canadian elections. I know this has come up before, but I'm wondering if you had anything fresh on that.

MR. EARNEST: I don't have anything new in terms of timing, but the State Department may so you can check with them.

Jon.

Q Just a couple of follow-ups, one, on the question of the short-term CR. Is the President willing to sign a short-term funding to allow negotiations to go forward that would extend current government funding levels?

MR. EARNEST: Well, Jon, I don't want to speculate right now on what Congress may eventually do. We have made clear what our priorities are, which are to prevent a government shutdown, to make sure that our national security and economic priorities are adequately funded, and to make sure that we don't lock in over the long term the sequester budget levels that right now inadequately fund our national security and economic priorities.

Q But you don't rule out locking that in for a short term?

MR. EARNEST: I don't have anything to -- well, I guess the -- I think we would perceive an internal contradiction between the words "short term" and "lock in."

Q Okay. And then a follow-up on Russia's actions in Syria. U.S. policy is still that Assad needs to go, right?

MR. EARNEST: That is the policy of the United States, yes.

Q Also to degrade and destroy ISIL.

MR. EARNEST: That's correct.

Q What is the higher priority?

MR. EARNEST: Well, I think both of these are priorities, principally because the reason that ISIL has been able to grow both in terms of the area they control and in their stature in the region is a direct result of the failed leadership of Bashar al-Assad. So you have identified two policies of the United States government, but they are not disconnected; that one is -- the failed leadership of President Assad has had an impact and has contributed significantly to the growth of ISIL. So those two things are related.

Q So I guess the same answer if I ask you what's the greater threat to the United States, Assad continuing to be in power in parts of Syria he controls, or ISIL?

MR. EARNEST: Obviously, the risk to U.S. interests is different, but the fact is resolving both of these concerns would advance our interests.

Q And what do you assess, what does the administration assess is Russia's goal here? Are they -- publicly they say this is about fighting terrorism and battling ISIL. Are they trying to prop up Assad for another reason, or is that truly their reason? Or do you think that Russia has a longer game here they're playing to expand their influence and power in the Middle East?

MR. EARNEST: Well, this would not be the first situation in which President Putin's true motivations are rather hard to discern. The decision-making process in that country is rather opaque, but there are a couple of things that we do know. Russia does have longstanding concerns about the spread of violent extremism and there's no doubt that the failed leadership of Assad has contributed to the spread of violent extremism in Syria and Iraq and even increased the risk in other countries, too.

We know also that Russia has viewed Syria as essentially their client state in the Middle East. That is a relationship that Russia has enjoyed at least for quite some time and it's one of the reasons that we know that Russia already has some significant military assets in Syria already. And so this latest military buildup is only to build on those assets and presumably to complement those assets that are already in place inside Syria.

So that longstanding client-state relationship might lead one to conclude that President Putin is factoring into this equation some long-term considerations. But it's not clear exactly what he believes is the best way for him to advance those longer-term interests that Russia may have inside of Syria. The case that we have made -- both publicly and privately in the context of at least a couple of phone calls between Secretary Kerry and Foreign Minister Lavrov -- is that it would advance the interests of the world for Russia to be a part of this anti-ISIL coalition to degrade and ultimately destroy ISIL -- to contribute, constructively to that effort, but also to support the kind of political transition in Syria that we believe is necessary to solve the underlying problem that has led to both the growth of ISIL, the expansion of violence, and a terrible humanitarian crisis that's caused millions of people to flee their homes inside Syria.

Q Last question. In terms of the possibility of a phone call between the President and Putin, Putin is obviously going to be in New York for the U.N. General Assembly. This President has, on the international stage, been a longtime advocate of engagement. Why

would he not meet with Putin while he is going to be right here in New York in the same city? Why would they not meet?

MR. EARNEST: Well, the President's schedule for his trip to New York is still in flux and so we'll have more to say once that schedule has been arranged. And certainly there is the possibility that the two leaders could meet while they're there because they are likely to be there at the same time. At the same time, the President has a number of other commitments in New York while he's there.

Q Putin has already said that he would like to meet -- he's open to meeting with the President in New York.

MR. EARNEST: Well, and again, I think the President has indicated that he has benefitted from regular conversations with President Putin. They obviously disagree on most of the issues that they discuss, but at least they can discuss them in a candid, pretty businesslike format or environment. And so, again, that's why I think I would expressly not rule out necessarily a presidential conversation sometime soon. But at this point, I don't have updates on the President's schedule for you.

April.

Q Josh, I don't want to assume -- this is why I'm asking you -- why is the President not going to watch the debate tomorrow night?

MR. EARNEST: I guess because he feels like he's got better things to do. (Laughter.) With all due respect to CNN, Jim.

Q That's fine. (Laughter.) I think the viewership will be okay.

MR. EARNEST: I suspect that's correct.

Q I ask that because you use the word "human" -- watching this presidential dynamic, the wannabes who want to be in his office right now human and I find it interesting that he won't watch since he's keenly aware of what's going on, on the GOP side and I guess the Democratic side. Can you elaborate a little bit more?

MR. EARNEST: Well, the President understands probably better than any other American that elections have consequences, and that the kinds of discussions about the future of the country that will take place over the next 15 months or so are critically important as Americans decide the next person that should sit in the Oval Office just down the hall here. And there are big consequences for that, particularly as it relates to the vision that this President has for the future of the country.

The President is very invested in seeing the kinds of values and priorities that he's championed be supported by the next President. And obviously there will be a pretty robust debate about the best way to do that. There are some -- there are a variety of points of view that will be offered up both in the Democratic and Republican primaries,

and then we'll also have a pretty vigorous national debate in the context of the general election. All of that is evidence of a very healthy democracy in this country, and the President is pleased that we can have a robust political debate.

And again, the President understands the stakes of those debates better than most because he's been through this process himself twice now. So he certainly understands why this is important, and that's why he's paying attention.

Q Thinking back to then-presidential candidate the first time, Barack Obama, do you think that he lived up to his pledge of hope and change since he's been in office twice?

MR. EARNEST: Absolutely. There probably is a really long answer to that question -- I'll try to keep it short -- which is I think the opening of the briefing today is one powerful illustration of the tremendously important economic progress that this country has made under the leadership of President Obama. Again, I would be the first person -- actually, the President would be the first person to give the bulk of that credit to the American people and to American workers and to American entrepreneurs. But there is no denying that this President made some risky, politically unpopular bets, but the President had confidence in those bets because he was betting on the American people.

And whether that was a decision to invest in the Recovery Act, or to invest and rescue the auto industry, the American economy has benefitted tremendously from those difficult and, in some cases, very politically unpopular decisions that the President made. But they paid off for the U.S. economy and for the American people. And the President is proud of it.

Q And one last question -- going back to one of your answers to one of my questions, you had a statement basically saying the President is concerned with some of the rhetoric that's out there that's kind of walked away or moving away from his policies. What are -- can you articulate specifically some of his concerns in listening to this rhetoric that he's hearing on Democratic and Republican side?

MR. EARNEST: Well, I don't think there is anything that I'd single out at this point, but I do -- in the context of the town hall meeting that the President convened in Des Moines just yesterday, somebody asked the question about -- asked the President a question about immigration reform and immigration policy. And the President made clear his concerns about some of the rhetoric that's thrown about on the Republican side when describing the contribution of immigrants to our country. The President has been quite disappointed in that rhetoric and he made that clear yesterday. That's only one example.

Q Perhaps speaking about Donald Trump, specifically or --

MR. EARNEST: That is speaking to the rhetoric that is used by an alarming number of Republican candidates.

Kevin.

Q Josh, thanks. I want to follow up on your comments about cyber terrorism and cyber spying as it relates to China. And I know that you don't want to get into specifics about individuals or even companies that may ultimately be sanctioned, but I'm curious about, broadly speaking, what might sanctions look like, what type of sanctions are we talking about, and how they might have teeth, if you will.

MR. EARNEST: Well, Kevin, I think for a detailed analysis of this, I'd refer you to the Treasury Department. But traditionally, what economic sanctions refers to is targeting a set of individuals for a variety of reasons -- in this case it would be because they either engaged in inappropriate or deeply concerning cyber activity, or they benefited from it. And essentially, these individuals would have their access to the U.S. financial system either severely limited or entirely shut off.

And because of the preeminent role that the U.S. financial and banking system plays in the international economy, that can have some pretty serious consequences for those individuals or for those entities. And again, that is one way that the strength of the U.S. economy and our influence around the world can be leveraged to advance our interests around the world, even in a setting that, in some cases, isn't directly related to the economy.

Q So is it a threat, is it a warning when President Xi comes? Is the President essentially saying, knock it off or else? How does that conversation play out in your mind?

MR. EARNEST: Well, I think the conversation plays out I think in the same way that it has the two previous times -- or at least the two previous times that I can recall that the President met with President Xi and directly raised these issues, and that is the President will speak directly with President Xi about the specific concerns that we have with the kind of activity that we see emanating from China.

And I don't think the President has found it particularly constructive to be offering or posing or making specific threats in the Oval Office. But everyone is aware of the range of options that the President has for confronting this particular problem. There is no doubt in the mind of leaders of the Chinese government that President Obama takes this issue very seriously and is willing to speak directly and act decisively to confront it. And that's what the President will do in the context of this meeting as well.

Q You don't think there's any chance it will ultimately scuttle the President's visit to Washington?

MR. EARNEST: Well, I certainly -- I mean, at this point I would hope not. There's a lot to discuss. And again, there are a range of issues. This is certainly an important one and a genuine priority, and one that we continue to be quite concerned about. But the announcement that was made today, the commitment on the part of a number of Chinese cities and provinces to cap their carbon pollution, is a significant announcement and has significant consequences and benefits for American interests and the American people.

There were corresponding commitments that were made by American cities as well. And this is an example of how the United States and China can work together to advance our interests. The same thing was true when it came to the Iran negotiations, and that was -- China played a very constructive role there. So there is an opportunity for us -- and I think that the Chinese leaders would say that the diplomatic resolution to that situation is in the interest of the Chinese people as well. That's a case that the President has obviously made to the American people and even to our Israeli allies. I'm confident that Chinese officials feel the same way.

Q Are they lying when they say the U.S. is cyber-spying on them as well?

MR. EARNEST: Well, I certainly would not -- I don't think it would be appropriate, at least in this context, for me to use that kind of label against the leaders of China. But what I think I would also say is I don't have a lot to say about any activity that may or may not be engaged in by the United States in that regard. But we have been quite clear that the United States does not engage in the kind of cyber activity that yields a significant financial benefit for American companies. And that's precisely the kind of behavior and activity that we've raised concerns about with regard to China.

Q Last one -- California fires. Any update on that? Has the President been briefed? It's a massive problem there.

MR. EARNEST: Well, Kevin, this is a significant problem, and this is one that the President has been focused on. And we may have a little bit more news on this later today, but you have seen that the Obama administration had made a specific request of Congress to change the funding mechanism for wildfires and the response to wildfires.

Right now, you essentially have a situation where both the Forest Service and some elements of the Department of Interior are using funding that was originally dedicated to preventing forest fires to actually fight the forest fires. And that ends up being a flawed strategy, because the less that we can devote to wildfire prevention, the more that we're going to have to dedicate to firefighting.

And so we made a specific request of Congress to change that funding mechanism so that we can protect the important programs that go toward preventing wildfires while also making sure we have all the resources that we need to assist state and local firefighters who are trying to protect lives and property out West.

Pam.

Q Josh, following up on the Montenegro issue, Russia has made it pretty clear that it doesn't want to see any NATO expansion, especially in the East. Could they view that as a provocation, maybe an in-your-face kind of thing -- the fact that the U.S. has given conditional support to Montenegro to join NATO? And wasn't the Western Ukraine sort of interest in the West a reason why Russia got involved -- intervened in Ukraine?

MR. EARNEST: Well, to be direct about answering your question, I don't know how the Russians will perceive it. What I would say to anybody who's interested in understanding exactly this policy decision is I would assure them that this is a policy decision that went

through the regular process and took some time to arrive at. So this is not an effort to respond to any particular action that's taken by any other country, but rather a policy decision that is grounded in the long-term best interests of the United States. And again, that was a decision that was conveyed to the Montenegrin leader just yesterday by the Vice President.

Q Is there any concern it could provoke a negative reaction from Russia if it does get into NATO?

MR. EARNEST: Well, I guess it's certainly possible, but that would be a decision that is made by the Russians. We've been quite clear about what our intentions are and how the strength of NATO has contributed to not just the national security interests of the United States but has been a bedrock of a peaceful and unified Europe for a couple generations now.

Q And just a quick one. There was recently a U.N. human rights report that came out saying 8,000 people have been killed in eastern Ukraine since, I guess, a year ago, April, and that the situation really was getting worse in terms of civilians dying, and that more needed to be done to stop the violence. Is there any thought to ratcheting up the sanctions on Russia for that?

MR. EARNEST: Well, the United States has coordinated effectively with our European counterparts to apply pressure to the Russians because of their destabilizing activities in Ukraine. And there are a raft of economic figures that I could point you to that are moving in the opposite directions from the statistics that I cited at the beginning of this briefing. And part of the reason for that is because of the increasing international economic isolation of the Russian leadership and the Russian economy. That's had consequences for them. It's had consequences for their private investment environment. It's had consequences for the value of their currency. It's had consequences for projections about the future growth of their economy.

So there's no doubt that the United States and Russia -- I'm sorry -- the United States and Europe have been able to effectively coordinate our actions to impose costs on Russia for their destabilizing activities in Ukraine. At the same time, we've also been pretty candid about the fact that those costs have not yet resulted in the kinds of strategic decisions that we would like to see from President Putin. And that's why Russia faces increasing international isolation.

And I'm not aware of any new sanctions policy that will be announced in the near term, but what we have said is that the longer that these sanctions remain in place, the more isolated and the more bite these sanctions end up having on the Russian economy. And again, that is a direct result of the strategic decisions that are being made by President Putin. And we've been just as clear that if the Russians are prepared to start living up to the commitments that they've made in the context of multilateral talks in Minsk that the United States and European community would be prepared to start rolling back those sanctions. But again, that will require Russia to make the kind of decision to depart from the destabilizing activities that they've been pursuing in Ukraine for quite some time now.

Margaret.

Q Josh, you've said the White House position is still that Assad must go. I'm wondering if you could drill down a little bit, because some of America's allies in this fight -- the U.K. and others -- have evolved in their view, saying that Assad doesn't have to go on day one, that he can be part of the transition. Is that also your understanding of where the U.S. is when it says Assad must go?

MR. EARNEST: Well, the position that we have made clear is that we do believe that Assad has lost the legitimacy to lead that country and we need to facilitate a political transition inside of Syria that results in Assad's departure. He's lost legitimacy to lead that country. There is a U.N.-led process to try to pursue this diplomatic transition. And despite the strong support of the United States, we haven't seen that process gain the kind of traction that we would like.

So that continues to be our -- but that does continue to be our goal, principally because it's just not feasible for a leader like Assad to remain in power while he's also using the military of that country to drop bombs indiscriminately on his own people.

Q So to clarify, you're not ruling out that he could be part of a transition if the agreement is that he'll ultimately exit?

MR. EARNEST: What we have made clear is that a political transition is necessary, and Assad's departure is necessary.

Q But one doesn't have to happen before the other.

MR. EARNEST: Well, again, there's a U.N.-led process to try to determine -- to try to effectuate that kind of political transition. And unfortunately, we haven't seen a lot of progress in that regard. But it has not diminished either the United States' support for that process, or our belief that the only way that we're going to resolve all of the terrible consequences stemming from Assad's failed leadership without that kind of U.N.-facilitate political transition.

Q To go then to the refugee crisis, because, as you're saying, there's a lot of frustration that you're just not in any kind of conversation diplomatically to make that transition happen. So if that's the path to ending the war, that's not having much success. You have this hemorrhage of people into Europe and the neighboring countries, so is there any thought of revisiting the White House decision and looking at establishing some kind of safe haven within the border of Syria so that people don't have to flee it in order to find safety? Any kind of version of a safe haven?

MR. EARNEST: Those who know a whole lot more about Syria than I do I'm sure would confidently describe the situation in Syria as chaotic. And that has had a corresponding impact that you would expect on the security situation in that country.

So the focus of our efforts right now is to degrade and ultimately destroy ISIL. And there has been important progress that counter-ISIL fighters have made in driving ISIL out of significant portions of Syria, particularly along the border with Turkey. So there's been important progress that's been made and we're going to continue to consult closely and work effectively with the Turks, who are rightly concerned about the security situation along their border.

Q But there is a perception among other departments in Washington that when it comes to the conversation of a safe zone that while there are those who support it, that conversation ends when it gets to the White House. Is the White House in any way revisiting any of those policy decisions on Syria?

MR. EARNEST: Well, I guess to take on that question directly, because of some of the challenges that are posed by Syria, particularly when it comes to trying to see the kind of political outcome that we would like to see there and to stabilize the security situation, that's obviously been very challenging. And we haven't made as much progress in pursuit of those goals as we would like to see. And that's why the President is always pushing his team to bring him new ideas and to get an updated assessment of what's exactly happening on the ground so that if there are policy changes that need to be implemented, that those changes can be implemented as soon as possible.

So I certainly wouldn't rule out that there would be further refinements of our strategy based on what we know is working on the ground. And, again, I think that we've seen that already by enlisting a significantly greater contribution from the Turks to this effort. And I think that's just one example of how the President and his team are constantly reviewing our strategy when it comes to Syria to look for ways that we can advance our interests more effectively than we have thus far.

Byron.

Q Thanks, Josh. The House looks likely to vote on a bill lifting the ban on oil exports. Does the White House have a position on this bill and the topic in general?

MR. EARNEST: Well, what I can tell you, Byron, is that the -- we've got a position on this, which is that this is a policy decision that is made over at the Commerce Department. And for that reason, we wouldn't support legislation like the one that's been put forward by Republicans. And so this is -- so for an update on our position, if one is necessary, you can consult with the Commerce Department.

The one thing that I would note is that this policy announcement is being made by Leader McCarthy in front of an organization in Houston that is largely funded by four or five of the biggest oil companies in the United States. So it is pretty clear, once again, where Republicans in Congress and their political benefactors stand when it comes to their energy policy priorities.

The fact is I think Leader McCarthy has an opportunity to demonstrate some true political courage where he could go and stand before that organization and actually offer up something bold but also common-sense, which is to end the billions in subsidies that oil

and gas companies in the United States already enjoy, and actually use that money to ensure the long-term success of our economy and the energy sector in this country by making important investments in things like wind energy and solar energy -- investments that even some of those oil companies themselves have bragged about making.

Q Thanks. And can I follow on Margaret's question? You said you're constantly reviewing your strategy. Is there a moment -- should we expect refinements in that strategy going forward?

MR. EARNEST: Well, I think I acknowledged to Margaret that that's something that happens -- that there is a high-profile example of that exactly happening once our diplomatic overtures to Turkey resulted in a greater commitment on the part of the Turks to this counter-ISIL effort. There was more intense focus on that area along the Syria-Turkey border. And there is important progress that we're trying to build on in that region of Syria where we've seen anti-ISIL forces push ISIL out of those areas. And we've been working with the Turks to try to build on that momentum.

That's an example of our strategy being refined to reflect both the position of other members of our counter-ISIL campaign, but also to reflect the conditions on the ground inside of Syria.

Mike, you had a question earlier.

Q Yes, I wanted to follow up on the wildfires issue. You mentioned this change that the administration is seeking that would potentially open up some additional monies for fire suppression efforts. There was a letter from Cabinet officials today to the Hill. There's legislation -- bipartisan legislation that would effect that change, and I know some of the co-sponsors are hoping to maybe get it attached to whatever spending vehicle comes through here at the end of the month. Is that something the White House would insist upon as well to ensure that the change went through?

MR. EARNEST: Mike, I'm not aware of all the details of that specific legislation, so I'll withhold judgment on it. We can look into some of those details for you.

The case that we have made -- and I don't know if this is included in the legislation -- but the case that we have made is that funding to fight wildfires should be similar to the way that funding for other disaster responses are structured. And this is essentially to allow there to be regular access to resources to fight wildfires that don't draw away from those things that -- from those programs that could effectively prevent those wildfires from starting in the first place; that you get into a pretty dangerous downward cycle if you end up cannibalizing all of your wildfire prevention funding to pay for needed wildfire fighting efforts.

But as it relates to the legislation, let me look into that for you.

Chris.

Q Let me just follow up on Byron's question about the oil exports. In stating opposition, you talked about Congressman McCarthy and the oil companies who have (inaudible) charge on this and lobbying very strongly in Congress. Having said that, your own Energy Department, the statistical arm of it at least, just put out a report suggesting that not only would this not increase U.S. gas prices, there's a good possibility it would lower gas prices. And I wonder if that very recent survey was part of this calculation? And what would you say about, then, the decision that you made given that there's a chance that this would lower gas prices for Americans?

MR. EARNEST: Well, Chris, I guess what I would say is any decision that's made on this policy is made at the Department of Commerce. And so they may have a more specific guidance to offer you in terms of their policy or any planning that they may be engaged in.

My observation is that it seems pretty clear that regardless of the merits of this individual position, that it is quite clear what Leader McCarthy's priorities are -- and they are the priorities of his party in Congress -- is to cozy up to oil interests and to pursue policies and to make policy announcements that are clearly in their interests at venues where he can be sure that they see it.

The administration believes that the American people are better served by making sure that we pursue the kind of approach that also invests in renewable energy that will be good for the long-term benefits of our economy, creating jobs -- particularly in the renewable industry -- while at the same time making decisions that are consistent with the public health and well-being of our communities and children.

Q If I can also follow up on the question of whether or not it seems -- your indication is that the President is considering -- or his staff is considering trying to set up a meeting with Vladimir Putin when he's in New York. And I'm wondering if a main factor in that is Syria, and if he meets with Putin, is that a reflection of the level of urgency and concern about the military movements in Syria by Russia.

MR. EARNEST: Well, I think that we've been quite candid about the fact that we are concerned by any strategic decision by Russia to double down on its support for the Assad regime.

Q Is that the motive -- would that be the main motivating factor in deciding to have this meeting?

MR. EARNEST: Well, if a meeting is scheduled, we'll be able to describe to you why the meeting occurred and even maybe give you a sense of what the conversation was like after it's occurred.

Q And just a quick follow-up on the refugees, because last week the U.N. and the folks who were on the background call talked about the larger plan that should be in place by October 1st coming -- potentially in the coming days. Do you expect that this week?

MR. EARNEST: Tell me which plan you're talking about here.

Q So you announced that 10,000 that was the new number that the President suggested, but there was a larger plan about funding -- for example, versus the \$4 billion that happened this year. Any changes that there might be in terms of process and that kind of thing?

MR. EARNEST: I see.

Q And you suggested, as did people on the background call, that that plan should be coming in the coming days. And I just wondered if you had any update on when that might happen.

MR. EARNEST: The national security officials who are considering this policy and considering a range of options for scaling up our response to the refugee situation in Europe continue to work urgently on this policy matter, and I don't have an update for you in terms of the timing.

Andrew.

Q Thanks, Josh. The Guardian in the UK this morning was quoting Martti Ahtisaari, the former Finnish President and international (inaudible) as saying that the Russians, in February of 2012, put forward a proposal that would have seen Assad step down, and that that was rejected by the U.S. because U.S. intelligence believed that Assad was going to fall soon anyway. I wanted to know if that report is accurate.

MR. EARNEST: Andrew, I'm hearing about that report from you for the first time so let me take your question and see if I can get you a response.

Q Okay. And on a different subject, is the timing of Xi Jinping's visit in question?

MR. EARNEST: Not that I'm aware of. I would acknowledge that we haven't announced a specific date, but I think you can look for an announcement relatively soon here.

I'll give you the last one.

Q Thank you, Josh. Despite the cyber issue, you just mentioned that we see another example today of U.S.-China cooperation. And recently, China's news wire reports that during President Xi Jinping's state visit to the United States, he and President Obama will likely exhibit even stronger aspiration and resolution to take on the climate change issue. So I know you probably won't talk about any deliverables before the meeting, but can we expect any new announcement or stronger aspiration this time during President's overseas visit to the United States?

MR. EARNEST: Well, we'll have more details about the Chinese President's visit to the United States soon. And I would anticipate that during that visit, the President would -- President Obama would take the opportunity to discuss with President Xi additional opportunities for the United States and China to cooperate when it comes to cutting carbon pollution.

You'll recall that during President Obama's historic visit to China last fall, there was a joint commitment that was made by both leaders on the part of both their countries to take a serious step to cutting carbon pollution. And ultimately that led to China making the historic commitment to peak or cap their carbon pollution on around 2030. And some of the announcements that we've seen today from Chinese cities and provinces would actually indicate that that peaking may occur before 2030 because of some of the serious commitments that we've seen from those cities. I know that there are at least two cities, Beijing and Guangzhou, that they will peak their pollution -- or their carbon pollution by 2020. And that would obviously make a significant contribution to China meeting the goal that President Xi laid out in China last fall.

At this point, I don't have anything to tell you about possible announcements during the next visit, but I am confident that this will be an issue that is will be an issue that is high on the agenda because it is an issue where President Xi and President Obama have been able to work cooperatively together to advance the interests of both of our countries. It's certainly in the best interests of both our countries' economies. I think, most importantly, though, it's in the best interest of our planet and the public health and well-being of the citizens of both of our countries.

Q With the important Paris conference just around the corner, how important is this bilateral meeting to bring the world closer to meet the goal in December?

MR. EARNEST: Well, China and the United States are two of the world's largest emitters of carbon pollution. And to see a serious commitment from our two countries should serve as a signal to the rest of the world that the U.S. and China are prepared to confront this challenge head on. And, again, we do that because it's in the best interest of our planet, but also because we know it's in the best interest of the citizens of our countries.

And the leaders of other countries that are willing to take a hard look at this I think will arrive at a similar conclusion. And that's why we've seen significant commitments from places like Mexico and South Korea. And we would welcome additional commitments from other countries to ensure the success of the international effort to cut carbon pollution and to confront the challenge of climate change.

Thanks a lot, everybody.

END

2:03 P.M. EDT