Press Briefing by Press Secretary Josh Earnest, 12/16/2015

December 16, 2015

The White House

Office of the Press Secretary

For Immediate Release

December 16, 2015

PRESS BRIEFING
BY PRESS SECRETARY JOSH EARNEST

James S. Brady Press Briefing Room

**Please see below for a correction, marked with an asterisk.

12:59 P.M. EST

MR. EARNEST: Good afternoon, everybody. I have with me a special guest at the briefing today. Sitting to my right is Adam Szubin. We've been talking about him in the briefing a lot -- (laughter) -- as I told him. I told him it was all good stuff, so I hope you guys will back me up on that.

But, obviously, Adam and his office play a very central role in a number of our national security priorities, including shutting down ISIL's efforts to finance their operations. And the reason that Adam is here today is that, tomorrow, his boss, Secretary Lew, will be convening a meeting of the *National [U.N.] Security Council at the U.N. to discuss how we can further integrate and intensify our efforts to shut down ISIL's financing.

And obviously this is something that Adam works on every day, and so I thought this would be a good occasion for him to both help you understand exactly what will be discussed at the meeting, but also describe to you the success that we've had over the last year or so in our efforts.

And then we'll open up to a few questions for him, and then he'll go. And then we'll get back to our regularly scheduled programming.

So, Adam, I'll turn it over to you.

MR. SZUBIN: Thank you very much, Josh. It's a pleasure to be here. And good afternoon to you all. As you all know, our strategy to counter ISIL has been a whole-of-government approach, including military, diplomatic, intelligence, law enforcement, as well as financial efforts to address all aspects of this very dangerous threat.

One critical piece has been our work to cut off ISIL's financing. That is going to be a focus, as Josh noted, of the U.N. Security Council meeting tomorrow, a historic meeting, where Secretary Lew will chair a meeting of finance ministers at the U.N. I believe it's the first time in the history of the Security Council that finance ministers have sat in the chairs around the table.

The goal of the meeting is to bolster our international efforts to get at ISIL sources of revenue, to isolate them from the international financial system, and to counter-financing of terrorism more broadly, even beyond ISIL. So, first, I want to speak briefly about the work that's ongoing to target ISIL's financing both within the U.S. government and with our international partners, and then I want to turn to the resolution that we expect to be introduced tomorrow.

On our ISIL efforts, of course ISIL presents an extremely challenging financial target because of its ability to extract revenues from the territory that it controls. But ISIL's need to control territory is also a vulnerability. ISIL requires large and steady streams of income to pay salaries, procure weapons, maintain infrastructure and a semblance of government. And ISIL needs access to the international financial system. They are not entirely self-reliant. They need to be able to move money, whether that's with respect to importing oil infrastructure, oil pieces; whether it's with respect to procuring weapons or communications equipment, or whether it's with respect to moving money to their off-shore affiliates.

We've targeted both ISIL's ability to generate funds and its ability to use and transfer funds through the international financial system. On the revenue side, the most important pieces, of course, are military -- working with coalition partners to target the entire oil supply chain, from the oil fields and wellheads, to the refineries and processing plants, to the tanker trucks themselves. And we've all seen the impact that that's been having over recent weeks.

Second, in terms of accessing the international financial system, we've been targeting, using our sanctions tool, to get at ISIL's key financial facilitators and their leaders and companies. We've designated more than 30 of their senior leaders and financiers this year alone. We're working through international forums, like the Counter-ISIL Finance Group, which is co-chaired by Saudi Arabia, Italy and the United States. It includes more than 30 jurisdictions worldwide, and it's a platform for us to be sharing information, both targeted and more systemic, about ISIL's revenue streams and flows, and then work together to collaborate to cut them off.

And we're working, of course, very intensively with our regional partners. In Iraq, we saw the central government cut off over 90 bank branches that were in ISIL-controlled territory from the Central Bank, and therefore from access to any international financial platform. And we've also worked with the governments in Jordan, the governments in Turkey to intensify the scrutiny and the oversight of less formal financial channels, like money service businesses and exchange houses, which we believe ISIL is using to smuggle cash to and then place them in order to move the funds. All of this work will only intensify in the coming months.

Let me now turn to the upcoming U.N. Security Council meeting that, as I said, will take place in New York tomorrow. We expect that the Security Council will be adopting a new resolution to focus its longstanding al Qaeda sanctions regime equally on the threat posed by ISIL. As a word of background, the al Qaeda sanctions regime has been the principal U.N. sanctions tool to direct asset freezes against terror groups. And what we'll be doing is elevating ISIL, putting it on that same level, and turning those tools and that same experience that we've built up internationally against ISIL.

The resolution will add a designation prong, making it a sanctionable offense as it were to associate with ISIL, and giving us more flexibility to go after those who are helping ISIL, whether to move funds, to store funds, or to earn funds. The resolution will also include a number of new broader measures to strengthen our international efforts against terror groups across the board. Specifically, we'll be calling on all countries to fully criminalize the financing of terrorism and terrorist fighters for any purpose, even in the absence of a link to a specific terrorist act.

And further, we're going to be calling on countries to expand and intensify information-sharing, both across governments, within governments, and with the private sector. That last piece may sound mundane, but I can tell you, having worked in the counterterrorist financing arena basically since 2002, that's where the rubber meets the road. It's about when banks see a suspicious transaction, are they flagging that for financial authorities. And if they are, and that system is working well, is that information then accessible to law enforcement, and can it married with travel data, can it be married with intelligence data so that we can have the best possible chance of disrupting the next attack.

Our experience in combatting terrorist financing over the last 15 years has shown that we can successfully pressure these groups, that we can make an impact, and really put fierce pressure on them with respect to sustaining their operations, especially with a group like ISIL that is so dependence on renewable revenue streams.

We will be continuing to do this work -- as I said, intensifying in the weeks to come. We're going to have to be adaptive. We're going to have to be nimble. And we're going to have to be persistent.

And with that, I'll take a few questions.

MR. EARNEST: Mike, do you want to start?

Q Sure. Can you sort of give us a sense of how the strength of this compares with the financial sanctions against the Iran regime, which really were effective? And what specific real impact will this U.N. resolution have on financial institutions? What will be different for financial institutions after this passes, specifically, than before?

MR. SZUBIN: So, on the first, I would say we're talking about apples and oranges in some respects. With respect to Iran, you're talking about a large developed government that had major, in the numbers of billions, in imports and exports whose oil revenues were being derived from overseas sales and were going through conventional means, like large tanker deliveries to other developed countries. Their banking system was a developed banking system that had access to other banks through the normal financial platforms. All of those things that would distinguish a government from a terror group are things that distinguished, I would say, our sanctions approach. Obviously, our sanctions approach is going to be tailored.

What unifies the two is we see a tremendous international agreement and tremendous international focus with respect to ISIL. It was a key ingredient in getting us the pressure we needed with respect to Iran. And we see that same consensus when it comes to pressuring ISIL.

I should mention -- I neglected to mention earlier, we're going to be co-sponsoring tomorrow's resolution with the Russians, jointly bringing that to the Security Council. It's a reflection of the unity of purpose that we see here.

The other thing that I would say that we have working in our favor with respect to ISIL is we have all those same tools. So when you talk about the financial measures that we use, whether they're about freezing assets, whether about increasing due diligence at banks, whether about closing access to the international financial system, obviously we're going to be drawing on each and every one of those tools in the ISIL context.

To turn to your second question, with respect to what will this mean for banks, I don't think it's going to change what Western banks are doing right now, or, frankly, banks around the world. We do not see that financial institutions are receptive to ISIL money flows. It's about finding those flows, and that's where we need to be collaborating.

We're going to have, as governments, better intelligence, better information than a bank would. But banks are also going to be picking up on suspicious cash movements that we might not see. So it needs to be a very active two-way conversation. And I would point you, if you're interested, to a number of advisories that FinCEN -- it's our anti-money-laundering bureau within Treasury -- has put out to say to banks in the U.S. and around the world, here's some red flags to look for as you're trying to track ISIL financing, whether with respect to the periodicity of flows or whether with respect to some more pretty obvious geographic things, like a customer makes ATM withdrawals at a branch on the border of Turkey, on the border of ISIL-controlled territory. Well, that's something that you should be raising a red flag about.

Q Just to follow up on that, how big an impact do you think this can have on cutting off funds? Do you think you could cut off 100 percent of their financing, 50 percent, 25 percent?

MR. SZUBIN: You're talking about ISIL in particular?

Q ISIL in particular.

MR. SZUBIN: So we never said -- I mean, obviously, it would be wonderful if they had zero percent of their financing. That's not the way we structure our goals. The object is to put substantial and ultimately severe financial pressure on the organization such that they're encumbered, they're constrained. They're not able to pay salaries. They're not able to pay benefits. They're not able to provide the governance that is so central to their narrative. In all of those ways, you put ISIL back on their heels, and it can change the dynamic. That's what we're trying to do.

MR. EARNEST: Gardiner.

Q You want to criminalize the financing of ISIL and of terror generally. We did a series this past year about how the Europeans are routinely paying for their citizens to be released from kidnapping, and that kidnapping is a huge source of financing for ISIL and other terror groups. Tell me how you're going to get this passed through Europeans if they continue to fund terrorism as they are doing and continue to do.

MR. SZUBIN: So your question I think is bringing together a couple of disparate elements. Obviously, when we're talking about criminalizing terrorist financing, the focus is on those who are intentionally, willfully providing financing to terror groups. And what we have in mind by and large is not those who are the victims or the families of victims of kidnapping attempts.

When it comes to KFR, as we call it, kidnapping for ransom, we actually don't see that as a primary or even secondary source of revenue for ISIL. They have used it. They have obtained millions of dollars in ransom. But we're talking about a group where they’ve been able to access hundreds of millions of dollars through things like extortion or taxation, and through things like oil and gas sales.

So our efforts have to be focused on the largest revenue streams, and that's where we're pointed right now.

MR. EARNEST: Jim.

Q Getting back to the Russians, they made an allegation a couple of weeks ago that Turkey was buying black market oil from ISIS. Is that true? And who is buying this ISIS oil? Do you have states I mind? Do you have big names in mind in terms of who is responsible for this?

MR. SZUBIN: We don't see any evidence that the Turkish government is purchasing oil from ISIL. The preponderance of their sales, we believe, are happening at the wellhead in a sense. In other words, they're selling to middlemen or black marketeers, who are then in turn providing it to others.

In terms of external purchasers, we’ve talked about the Syrian government as a purchaser -- especially when it comes to gas. But I think in terms of the overall destination, a lot of ISIL’s oil is going within the territory that they control -- whether with respect to fueling their own efforts and their own military campaigns, or whether with respect to providing electricity to the territories they're trying to govern.

MR. EARNEST: Ron.

Q Can you give us more detail about the dimensions of the ISIS economy? You said hundreds of millions of dollars I think. The primary revenue streams you said are extortion, oil. Is that, in fact, the order? Is most of it -- are most of their dealings in nontraditional financial venues as opposed to more traditional venues, or vice versa? And is there any evidence that what's been done so far to decrease this, to shrink this economy, has been effective? Is there any data that points to it being smaller now than it was six months or a year ago, or whatever?

MR. SZUBIN: So, thank you. A lot of key questions that we spend a lot of time focusing on, as you'd imagine. ISIL's inflows in terms of revenues are large in Syria, and it's why this is such a serious challenge. The other aspect to them that distinguishes them from a group like al Qaeda, for example, is that they've been internally generated. So if you picture al Qaeda's revenue streams, they're typically coming in from outside donors, from charities that they can abuse or corrupt, or from kidnapping for ransom -- things where the funds need to be transferred to them.

With ISIL, it's funds from within. And you're right to summarize it, taxation/extortion -- whether that's with respect to things that we might look at as property taxes if this was a normal state -- income, financial fees on financial transmissions, and then the oil and gas sales.

In both cases, we're talking about the potential to generate hundreds of millions of dollars a year. That's the bad news, and that's the magnitude of the threat we face.

The good news is ISIL has a number of vulnerabilities as well. They have massive needs. They are fighting a multi-front war at the same time that they're trying to provide governance, provide assistance to overseas affiliates, and trying to build this reputation of a supposed Islamic caliphate. None of that is cheap. And so they not only need the funds that they can get today, they need those to be renewed tomorrow and the day after and the day after.

And so our strategy is to put a major dent into that and to, as I said, put them back on their heels, make them make some very hard tradeoffs. And you will see when foreign fighters can't be paid, when groups aren't getting and people who are used to being paid are not being paid their normal salaries or are being told to wait several weeks, that has an impact. It has an impact on the battlefield, it has an impact on morale, and it has an impact on what the group can do.

One sub-question that you asked I think had to do with are they using the formal financial system. By and large, no. By and large, they're using things like hawalas within their territory and bulk cash couriers to move funds. But they do need -- and this is a vulnerability for them -- they do need access to the international financial system. There are things that ISIL needs they can't get from within.

So whether it's replacing oil equipment or oil infrastructure, whether it's with respect to certain weapons or communications equipment, if they're trying to import something they're going to need to move funds. And when they do that, they're, one, ideally leaving a money trail that we can follow up on; and two, giving us a vulnerability, something we can disrupt.

Q Is there any evidence that you have been able to do this? Have you seen the numbers fall? I mean, we've heard the administration say that the caliphate is shrinking, or the territory is shrinking. Is the economy shrinking now, too?

MR. SZUBIN: So we believe that the coalition's campaign -- because your question is going to the influx of funds -- the coalition's campaign, this operation, Tidal Wave II, is making a real difference and making a real impact. It's too soon for me to be able to talk to you about numbers, and what are the percentages, what are the dollar blows. But I think we're focused on exactly the right targets, exactly the right vulnerabilities in terms of ISIL's ability to make money.

Q You talked about the Russians. I wonder if you could tell us about the challenges or the opportunities in dealing with the Russians in terms of sanctions, in trying to fight ISIL.

MR. SZUBIN: As I noted, I think it's significant -- we're going to be co-sponsoring this resolution tomorrow, along with the Russians. There is a unity of purpose when it comes to terrorism, globally. And I've been in this arena for 15 years. There are innumerable instances where we've worked really closely with the Russians -- whether it's with respect to raising international standards, keeping money laundering, keeping terrorist financing out of the international financial system. And it extends, I believe, to efforts to cut off ISIL's revenues, as well.

Margaret.

Q A question on that, the resolution. Is it specific just to ISIS, or is it al Qaeda and all associated affiliates? Like, would this also apply to al Nusra and some of the other groups? Is everyone on board with that? How much of this intelligence came from specifically the Abu Sayyaf raid? If you can give us some attribution on how you know what you say you know. And any kind of external flows. Because most of what you're describing is how you fund the caliphate. Are you seeing money being moved to fund external terror operations in Libya or elsewhere?

MR. SZUBIN: I'm going to try to remember all three parts of that, and am now recognizing for the thousandth time why you have a very hard job. (Laughter.) But you'll help me. So the first question was --

Q On the resolution. Is this just ISIS or is it --

MR. SZUBIN: The resolution. So it not ISIS. In fact, what we're doing is importing ISIL into what has been the al Qaeda sanctions regime. That's a sanctions regime that dates back to 2002, I believe, the aftermath of 9/11. And it's been sort of the crown jewel in terms of U.N. Security Council-targeted sanctions. It's been the most developed. It has a monitoring team that most people don't know about. It's a U.N. monitoring team that reports to the al Qaeda committee that goes around and surveys countries -- how well are they implementing their obligations -- which is critical. I had an earlier question, I think, about implementation -- what are you going to do to make sure countries are actually adhering to their commitments under this resolution. Well, obviously, there is a lot of bilateral jawboning, but also the U.N. monitoring team has been incredibly valuable.

So what we're going to be doing is importing ISIL into that framework, and ensuring that we have the same authorities, the same focus, the same follow-up on ISIL that we do on al Qaeda. Nusra, al Qaeda, would all already be covered under the existing regimes.

Your second question was I think on the Abu Sayyaf raid?

Q Yeah.

MR. SZUBIN: So the Abu Sayyaf raid was very significant. I know Josh and others have talked about how it advanced our knowledge. But particularly as somebody who's focused on the financing side, this was an individual who was intimately involved with and familiar with how ISIL was earning and how it was expending its revenue. So I will acknowledge that's a big advance in terms of what we know and in terms of being able to put scope and some rough dollar figures on some of these flows.

Q Do you have any rough dollar figures on the --

MR. SZUBIN: So, our estimates, if you go back, let's say, six or eight weeks, were about $400 million in terms of oil and gas revenues a year. That's a huge amount of money. Again, I want to remind people about the huge amounts of expenditures the group needs. What, of course, we all are focused on now is what impact is the coalition recent strikes -- are the coalition recent strikes having. And you've seen a stepped up pace in terms of the number of strikes, but also better intelligence guiding us to more effective, more impactful targets. That's something where I think we're going to need to come back to you in the coming weeks about the impact and what the revenue streams look like now.

Q And the last question was about transferring money out of the Islamic State to fund terror operations.

MR. SZUBIN: So I successfully remembered zero of your three questions. I want that noted. (Laughter.) In terms of transferring money outside of the Islamic State, I mean, that's where I think the Treasury expertise and the Treasury tools are particularly useful. Obviously, we're not in the kinetic strike business. You wouldn't want me anywhere near that. But ISIL does need access to the international financial system. It likes to present itself to the world as being self-reliant -- and it isn't. And as they're trying to move money, including to affiliates, as you noted, those are potential vulnerabilities for us, to be able to track funds and to be able to disrupt the funds.

I also want to note that the whole discussion so far has been focusing sort of at what I sometimes called the macro level -- how is the organization funding itself; how are they directing money abroad; what are the levels of funding that they need to sustain themselves. But when we work on counter-financing terrorism, there's also a micro, more operational level, which is are we harnessing the data. And there's very rich data when it comes to financial transfers in the most effective way we can to equip the FBI and their equivalents all across the world to be able to detect terror threats, to be able to hopefully stop the next terror attack.

The reason I note that is because when two terrorists talk to themselves on cell phones, they'll use code, they probably won't use each other's real names, and they're going to make lots of efforts to mask what they're doing. If you're sending money to somebody, you're going to have to use their real name, you're going to have to use identifiers -- whether it's an address, a telephone number. And so that's the sense in which I mean it's very rich data, and it's there for us.

And nearly every jurisdiction around the world has a regime that calls for banks to be submitting suspicious activity reports a financial intelligence unit. What it comes down to is often communication -- making sure that their treasury department is talking to their FBI, their CIA, their DHS. And that's one of the focuses that you'll see in tomorrow's resolution.

MR. EARNEST: Jessica, I'll give you the last one.

Q I just wonder, you know, there's a big push right now by the administration about the Turkish border, specifically. Would Turkey be any more pushed or eligible for sanctions if it was found to be the case that, over that border, some of these transactions were taking place? Would these sanctions have an extra bite on Turkey specifically in that scenario?

MR. SZUBIN: So I don't think there's anything in the resolution that would be penalizing governments, per se. It's about targeting sanctions against the companies, the facilitators, the fundraisers who we see working with and on behalf of these terror groups, ISIL in particular here.

I can certainly agree with and underscore your point about the importance of securing that border. It's important for the work that I do in terms of cash smuggling and getting funds into and out of ISIL territory. And of course it's important with respect to foreign terrorist fighter flow, with respect to weapons -- all of the above.

MR. EARNEST: Thank you, Adam. All right, with that, we can go straight to your questions.

Kevin, do you want to get started?

Q Well, I guess we'll get started on the U.S. budget and what Congress approved -- or what Congress has posted. And I wanted to get your overall impressions on the budget, and what are the significant accomplishments as far as the administration is concerned, as well as what are going to be some of the bitter pills that you're going to swallow in this budget.

MR. EARNEST: Good. I was hoping that was where we would start. And in thinking about how I wanted to describe to you the success that we feel like we had in the context of the budget negotiations, I thought I would actually rely on a lot of the good reporting that's been done in this room about the budget negotiations.

For example, over the last couple of weeks I've been asked on two different occasions if the administration would accept any riders on Dodd-Frank in the omnibus budget bill. We did not. No riders on the Dodd-Frank Wall Street reform.

Over the last couple of weeks I've been asked twice if we would accept a rider delaying the fiduciary rule, which obviously protects retirement investments for middle-class families all across the country. We did not. No impact on the fiduciary rule from the omnibus.

There was a period of time where I was asked frequently about whether or not the administration would tolerate any riders relating to allowing Syrian refugees to enter the United States. We did not.

I was asked on at least one occasion last month if the administration would accept a rider cutting funding for our efforts to fight climate change. We didn't.

I was asked -- Cheryl, you asked at least one time, I think maybe even twice -- if we would accept a rider blocking the NLRB from enforcing the joint employer liability rule, which provides critical workplace protection to franchise employees. We did not.

I was asked on a couple of occasions, including Mr. Dorning, about whether or not we would accept a rider repealing the medical device tax. We did not.

I was asked on a number of occasions whether or not the administration would accept the rider repealing the "Cadillac tax." We did not.

There was a period in time earlier this fall in which I was asked frequently about whether or not the administration would accept any riders related to funding for Planned Parenthood. We did not.

I was asked -- I don't see John Gizzi here, but he had asked about a specific rider relating to the IRS and an audit of Planned Parenthood. We did not accept that rider either.

So we walked into these negotiations focused on making sure that Republicans would not succeed in advancing their ideological agenda through the budgetary process. And I think based on all of the solid reporting work that you have done over the last several weeks, there were a variety of attempts that Republicans undertook to try to do exactly that. And we did succeed in fighting off those efforts.

What is also true about this budget agreement -- and this goes to one of the central priorities of the administration over the course of this year -- is that it provides substantial funding for both our economic and national security priorities over and above the sequester.

So we feel good about the outcome primarily because we got a compromise budget agreement that fought off a wide variety of ideological riders, but yet ensures the priorities that this administration has identified when it comes to investing in middle-class families and protecting the country. And we succeeded.

Q What do you feel you've had to give up? I know you also talked a lot about opposing removing the restrictions on crude oil exports.

MR. EARNEST: Yes. That's a good example, and that is something that we did not support. And frankly, we still don't support it. And our objection has primarily been, as I noted on a couple of occasions as recently as yesterday, along procedural grounds. This is authority that was already vested with the administration, and we believe that legislation in this regard was unnecessary. But I would draw a distinction between an objection that we have on procedural grounds from some of the more ideologically motivated provisions that I listed off at the top.

Let me say a couple of other things about this. One reason that we're not overly concerned with the substance of the lifting of the oil export ban is that the United States already exports 4.3 million barrels a day of refined petroleum product. And there were already written into the law a handful of waivers to the crude oil export ban that allowed companies in the United States to export 500,000 barrels of oil -- of crude oil each day under those exceptions.

So the fact is, yes, this is a legislative action that would require the lifting of this ban. But the fact is there was already substantial petroleum products, both refined and unrefined, that were already being exported.

What I would also note that is included in the budget, on the positive side of the ledger, is the biggest investment in the deployment of renewable energy in American history. For a long time, the administration had to engage in negotiations with Congress on a yearly basis about the extension, for example, of the production tax credit -- a tax credit that provides powerful incentives to the wind industry. And these were tax credits that essentially were negotiated at the very end of the year so that they were almost completely retroactive. This created a lot of uncertainty about the financial policies that would be in place for wind energy companies that are trying to make longer-term decisions.

That's why we believe it's critically important that we succeeded in securing essentially a five-year commitment to the production tax credit. We also succeeded in securing a five-year tax credit for the solar industry.

This is significant because we would be building on substantial momentum that has already been built up. Since the President was elected to office we have tripled the amount of energy that is produced in this country by the wind. And we have increased by thirtyfold the amount of energy that is produced in this country by solar. The United States is now the largest producer in the world of energy by wind. And if you take a look at job creation, the solar industry is creating jobs at a rate of 10 times the rest of the economy.

The last thing I will say about this is there also was an effort on the part of Republicans to try to limit the implementation of a wide variety of clean energy policies that this administration has long championed. This got less attention than some of the riders that I mentioned in response to your first question. But there were tangible efforts on the part of Republicans to limit our ability to implement the Clean Power Plan, to implement the Clean Water Act, to revise ozone standards, to include the social cost of carbon when calculating a variety of environmental rules, to limit the President’s ability to implement the Antiquities Act, and to limit the ability of the administration to enforce the Endangered Species Act. The efforts by Republicans to undermine the implementation of those rules was also rebuffed.

So when you take a look at the entire package, I think the country can feel good about how this budget reflects the priorities that the President has laid out when it comes to transitioning to the low-carbon economy of the future.

Q Just one last one. Is the President going to make any stops on the way to Hawaii, particularly to visit with people in San Bernardino, California?

MR. EARNEST: Kevin, as we mentioned, the President is planning to depart the White House on Friday to travel to Hawaii with his family as he has traditionally done over the holidays. But while he is en route to Honolulu, the President will stop in San Bernardino, California to visit privately with the families of the victims of the terror attack in San Bernardino that occurred earlier this month.

For those of you who covered the President’s trip to Oregon earlier this fall, this visit will be patterned after that, which is that the President will meet with each of these families in private. And I do not anticipate at this point that there will be any media access to those encounters.

Roberta.

Q House Democratic Leader Pelosi has said that she’s concerned that the bill has massive giveaways to special interests and big corporations. And I'm just wondering whether the White House shares that concern at all.

MR. EARNEST: Well, speaking generally, Roberta, we've acknowledged all along that the successful completion of budget negotiations would require Democrats and Republicans to compromise. And there’s no denying the fact that Republican priorities, particularly in the context of these budget agreements, have centered on giveaways to big corporations and to some of their largest donors. And if the President were writing this budget -- in fact, he did write a budget -- but in our ideal budget, those kinds of giveaways would not be included. But this is a compromise proposal, and based on the priorities that we have set out to accomplish, the President is pleased with the final product even if it does reflect the kind of compromise that's necessary when you have a Democratic President negotiating with large majorities of Republicans in both the House and Senate.

Q So there are no measures included in the package that would be so objectionable to the President that he would veto this bill?

MR. EARNEST: There are a number of measures that are included in the proposal that we do not support. But taken together, when you consider the overall package and the degree to which this proposal lives up to our values in terms of making sure that we are investing in middle-class families and taking the steps that are necessary to protect the country, the President will be pleased to sign the bill.

Q And lastly, the Fed seems set to raise rates today. Does the President feel the economy is ready for this?

MR. EARNEST: Well, the more pertinent question is whether or not the board of the Federal Reserve feels that it is appropriate to make that decision. When they feel that it is, then that's a decision that they will announce. And given our longstanding respect for the independence of that agency, we'll decline to provide any color commentary about decisions that they may or may not be intending to make.

Jim.

Q Josh, at the debate last night, New Jersey Governor Chris Christie described the President as a “feckless weakling,” and said that he would advocate the establishment of a no-fly zone over portions of Syria and that, if necessary, he would advocate shooting down Russian planes to enforce that no-fly zone. Donald Trump talked about infiltrating the Internet to try to stop ISIS. And Ted Cruz talked about making sand glow by pummeling ISIS or trying to bomb them into oblivion, I think he might have said. What is your response to all of that, some of the rhetoric that we heard in last night’s debate?

MR. EARNEST: Well, there’s no denying that, in the context of the debate, that we heard a lot of bluster but not a lot of good ideas that are going to keep the country safe. And, look, in the context of a presidential election, you would anticipate that there would be a robust and vigorous debate about our priorities even when it comes to our foreign policy and our national security. That is a debate that should occur in the context of a presidential election, and we obviously welcome that debate because there’s a pretty stark difference between the bluster-filled approach of Republican candidates for president and the kind of smart, tough diplomacy and leadership that the President has shown consistently on the international stage over the last seven years.

Q And Marco Rubio, Senator Rubio said at one point in an exchange with Senator Cruz that doing away with bulk phone collection over at the NSA may have national security implications. And he said that if there’s a terrorist attack and people want to find out why it wasn’t stopped, the answer better not be, well, we didn’t have access to those phone records. I know you can't go through everything that was said last night, but what is the White House's view of that characterization that this somehow makes the American people less secure?

MR. EARNEST: Jim, that runs directly counter to the advice that our national security experts in the intelligence community have offered about the true impact of that piece of legislation. It isn't just valuable that that legislation put in place better protections for civil liberties of law-abiding Americans, it actually gave the intelligence community more access to more information that they can use to keep the country safe.

And again, you don't have to take my word for it. That is exactly what the intelligence community experts themselves told Congress when they were debating this legislation. So the freshman senator from Florida is certainly entitled to his own opinion. But I think most people who are interested in national security are going to put quite a bit more stock in the judgment of the apolitical but dedicated professionals at the leading intelligence agencies of the United States.

Q   And yesterday, during Secretary Kerry's visit with Vladimir Putin -- or I guess afterwards -- there was a press conference, and during the press conference, Secretary Kerry said that our goal is not regime change in Syria. Is that comment in line with the administration's view on Bashar al-Assad and his future in Syria? Because for the longest time it seems as though you've been saying Assad must go, the President said Assad must go. It seems what Secretary Kerry was saying was maybe moving back from that position a little bit.

MR. EARNEST: Well, again, I don't think -- our position hasn't changed and I don't think that's what Secretary Kerry was trying to convey. I think Secretary Kerry, even in the context of his opening remarks at the avail, made clear that Bashar al-Assad has lost legitimacy to lead that country. And it is precisely because of his failed leadership and his inability to keep that country together that we're seeing so much violence and chaos inside of Syria that did create an opening for ISIL and has negatively impacted the lives of millions of Syrians who have been forced to flee their homes and their communities to escape that violence.

All of that can be traced back directly to the failed leadership of Bashar al-Assad. And Mr. Assad's response to all of that has been to use the weaponry of the Syrian military to attack his own people. So it is not just our vigorous moral objection to his leadership that has caused us to conclude that it's time for him to go; it is just a practical matter that you're not going to be able to lead a country successfully if you've spent most of the last five years attacking those people, violently, with barrel bombs and other heinous weapons that have caused widespread death and destruction, including the loss of life of innocent women and children.

Mary.

Q Josh, you've said before that there is increasing support for common-sense gun safety measures, but for the first time in more than 20 years, most Americans oppose an assault weapons ban. Do you still believe that the momentum is on your side? Are these numbers a sign that the President's message isn't getting through?

MR. EARNEST: Mary, I've been frequently citing the data from this New Hampshire poll of Republicans that indicates there continues to be strong support for -- even surprisingly strong support for closing the no-fly, no-buy loophole. Right now, there is no law on the books that prevents somebody who is suspected by the U.S. government of being a terrorist from being able to walk into a gun store and buy a gun. Eighty-five percent of New Hampshire Republicans, about half of whom have a gun in their household, support closing that loophole. That is a common-sense measure, and yet we've seen significant resistance from Republicans to passing that kind of bill.

We saw something similar when it comes to closing the background check loophole. According to that poll, about 75 percent of New Hampshire Republicans support closing that loophole.

So we continue to believe that we will see congressional action once the intensity of the argument on the side of those who support gun safety measures has been made clear to members of Congress. And the only way that will happen is if people who support those common-sense measures stand up and speak out and make clear to their elected representatives that the way that members of Congress handle these issues is going to have a direct impact on the decisions made by voters at the ballot box.

Q But it seems like we're seeing some shift after some of these recent events. Does the President feel that some of these recent events are fueling in some ways the position of gun rights advocates?

MR. EARNEST: Well, again, I think it's hard to tell. I think there's plenty of data that I can marshal on our side of the argument to indicate that there's some movement in the direction that we support. It sounds like there's probably some data on the other side. That's certainly worthy of a discussion. But the only way that we're going to see the kind of change that we need to see is not just in the movement of poll numbers, but in the intensity of the response of those who advocate common-sense gun safety measures when they're communicating with their members of Congress.

Cheryl.

Q Thanks, Josh. Back to the tax extenders part of the package, Democratic Leader Pelosi had a lot of concerns about extending some of these permanently. Is the White House comfortable making some of these tax credits permanent?

MR. EARNEST: Cheryl, this is another example of an element of this proposal that reflects a bipartisan compromise. That means that the administration doesn't support every element of the agreement, but there are a lot of reasons for the President to feel good about what was accomplished in those negotiations.

Let me walk you through a couple of them. The first is there are a variety of Recovery Act tax credits that are focused on working families that are made permanent in the context of these discussions. So, again, these are things like the expansion of the Earned Income Tax Credit, the expansion of the Child Tax Credit, and the creation of the American Opportunity Tax Credit. The expansion of those first two tax credits and the American Opportunity Tax Credit benefit about 24 million working families a year.

So many of you covered the President's campaign in 2007 and 2008, and he vowed to come to Washington, D.C. to cut taxes for middle-class families and make sure that when Congress is handing out tax benefits they're not just giving it out to the large corporations that can afford to hire well-connected lobbyists. And this is an excellent example of the President making good on that promise.

I know many of you are considering the President's legacy and considering different elements of the President's legacy. Making permanent tax credits that are focused on middle-class families and that have an average benefit on the order of about $900 a year for working people I think is a great example of how the President brought change to Washington, D.C. in a way that will be felt by 24 million families -- working families -- all across the country.

There are other elements of the proposal that we do support, other things that the President himself proposed. For example, this would also make permanent a provision in the tax code that would allow small businesses to essentially zero out their capital gains. This was actually a policy proposal that sounds like something that Republicans might support -- they do. This is actually a policy that Senator Obama discussed in his 2008 Democratic nominating convention speech in Denver. This is a hallmark of the President's view that tax benefits shouldn't just go to the wealthy and well-connected corporations; we need to be looking out for small businesses, too. And this is a good example of that.

This would also make permanent a series of other investment incentives for small businesses. This package also includes making permanent the research and experimentation tax credit -- the R&E tax credit. The President has long believed that innovation in our economy will stimulate economic growth and create jobs. This is a tangible way that the government can be supportive of that kind of research and experimentation and innovation, and that's going to be good for our economy over all.

So there isn't just a lot to like in here for Democrats. There's a lot in here that illustrates the significant change that Barack Obama brought to Washington, D.C. when it comes to making sure somebody somewhere is looking out for middle-class families when it comes to a discussion of our tax code.

Jessica.

Q On arms sales to Taiwan, a couple of questions. First of all, why did it take the administration four years to notify Congress of the next sale -- a little bit under four years?

MR. EARNEST: Jessica, I don't have a lot of insight for you in terms of the pace of these decisions, but I certainly can confirm for you that the administration has notified Congress of a $1.83 billion defense arms sales package to Taiwan. This notification follows previous notifications by the Obama administration that totals about $12 billion in assistance. Today's notification is consistent with the Taiwan Relations Act and U.S. support for Taiwan's ability to maintain sufficient self-defense capability.

I would hasten to add that there has been no change to our longstanding One-China policy that's based on the three joint communiques and the Taiwan Relations Act. This is a policy that has been pursued by a handful of Presidents, both Democrat and Republican, including President Obama's predecessor. And what we've seen is that across decades and across that series of presidential administrations, the United States has demonstrated its firm commitment to making available to Taiwan items necessary for Taiwan to maintain a sufficient self-defense capability.

Q To follow, the President of this country and the President of China have been on the phone quite a bit in light of the climate announcement -- I think four phone calls, and you've read out one of them. Was this brought up in those calls? Can you talk -- if you can't talk specifically to that, can you talk about how, if at all, you've been trying to prepare China for this inevitability? The last time this happened they severed military-to-military relations for almost the entire year of 2010.

MR. EARNEST: Well, I can tell you that a discussion of China's relationship with Taiwan is something that has previously come up in presidential-level discussions. Obviously, recently there was a high-ranking delegation of Chinese leaders that met with high-ranking Taiwanese officials, and obviously, the United States supports the warming of those relations and de-escalation of those tensions. But I don't have a more detailed readout of the discussions to share with you beyond that.

Mike.

Q A couple of questions on the omnibus. First, the governor of Puerto Rico just said today that he expects them to default on their debts in January or May -- most likely the beginning of January. How does the administration feel about having a U.S. territory default on its debt? And do you all have any reason to believe that he's mistaken and something will come about to prevent this?

MR. EARNEST: Well, Mike, I haven't seen his specific comments. So for more detailed response directly to his comments, we'll follow up with you. I will say in general that the administration has long supported Congress taking action that would give Puerto Rico access to certain financial mechanisms that would allow them to deal with the difficult financial situation that they're facing. Congress hasn't taken those steps yet. We've been urging them to do so. And we're going to continue to advocate for Congress giving to Puerto Rico those kinds of options that they don't currently have. It has been our consistent policy that we don't support a federal bailout of Puerto Rico, and that position hasn't changed either.

Q   Okay. On the omnibus, as you noted, there was no repeal of the "Cadillac tax" or of the medical devices tax. However, there was a two-year delay I believe of both of them. What impact do you all assess that will have on the Obamacare program and on the broader efforts to restrain the increase of health care expenditures contained in the Affordable Care Act?

MR. EARNEST: Well, we do know that Republicans laid out a goal essentially since the first day that the Affordable Care Act went into effect of repealing the law and they've taken more than 50 votes over the course of the last several years actually trying to do exactly that. They have failed in each of those 50 or so times that they've tried to tear down the law. So when you consider their ambitions, the steps that are included in this proposal are quite, quite meager.

We obviously believe -- and you've heard me make the case before about the benefits associated with implementing the "Cadillac tax." Not only does that kind of tax offer up a clear incentive to lower health care costs, it also gives businesses an incentive to start investing in employees' wages. And as there is a bipartisan discussion and debate about what can be done to boost wages in this country, this is one clear, tangible example that economists on both sides of the aisle agree would at least put some upward pressure on wages. So that's why we continue to be steadfast in our support for the "Cadillac tax."

One thing that I would note is that in addition to the two-year suspension of the "Cadillac tax" is that there are a couple of provisions that we believe over the long term will actually make the "Cadillac tax" more effective in achieving our aims, so that when the "Cadillac tax" is implemented, it will be more effective when that happens because of some of the changes that are included in this law.

Q   -- how significant the two-year delay is then?

MR. EARNEST: Again, I would say that it is minimal.

Q   Okay. And will the administration be able to repurpose funds for the Green Climate Fund under the omnibus?

MR. EARNEST: Well, Mike, the text of the omnibus is, I believe, a couple thousand pages long, so it's still something that we're reviewing. What I can tell you is that based on what we have reviewed so far, there are no restrictions in our ability to make good on the President's promise to contribute to the Green Climate Fund.

Q   Lastly, does the coal export-import rider prevent you from the cutoff of funding for foreign coal projects that the administration has promoted?

MR. EARNEST: Yes. Again, this would fall in the same category. Based on what we have been able to review about the bill so far, that language that's included in the omnibus would not require the administration to change our policy.

Jared.

Q Josh, I want to follow up on Jim’s question about Assad. When I heard and read the Secretary’s comments out of Russia, it seemed to me a drastic change but also an evolution of the change that we’ve seen -- Assad must go; Assad won’t have to go on day one of the transition; and now, Assad may not have to go. But your answer to Jim seemed to say that this is not a drastic change. Am I right in hearing that? And should we not expect a completely different footing out of the meetings at the end of the week in New York?

MR. EARNEST: You should not anticipate a change in our policy. And, Jared, what we can do is I’ll have somebody forward you the transcript of Secretary Kerry’s remarks earlier today in Moscow -- because he was quite clear later in his remarks about the fact that a political transition inside of Syria is necessary. He was clear about the fact that President Assad has lost legitimacy to lead that country. And I think that should be a clear indication to you that our policy that Assad must go has not change.

Q But the timing of it is crucial here, Josh. And I’m wondering -- Assad’s term ends in 2021. Parliament elections in Syria are up in May. Is the United States talking about changing the timelines for any of those, or are we allowing the Syrian people to determine Assad’s future, which has been the Russian policy up till now?

MR. EARNEST: Well, it has been our policy all along that the Syrian people are the ones who should decide their future. And, frankly, it is the Syrian people who have the most at stake in the kind of political transition inside of Syria that we believe is long overdue. In fact, that's why Secretary Kerry has been working so aggressively with the international community -- not just to organize the contours of a political transition, but also to organize the disparate variety of Syrian opposition groups into a coherent structure that can begin to enter into these conversations about the political transition.

Q So Assad must go, but five, six years from now?

MR. EARNEST: Well, again, I certainly am not going to put a timeline on it. But, yes, Assad --

Q that's when his term is up.

MR. EARNEST: Well, again, this will be under extensive negotiation next in New York. I will say that it is hard to imagine a scenario where the United States or, frankly, the rest of the international community or the Syrian people would allow the kind of chaos and violence that we see inside of Syria to persist for the next five or six years while President Assad finishes out his term. It seems hard to imagine that any of the groups that I just mentioned would be at all inclined to support that kind of approach to the political transition that we believe is desperately needed in Syria.

Q Is that the kind of supposition you would have made four years ago?

MR. EARNEST: Not necessarily. I guess it’s hard to say.

Kevin.

Q Thanks, Josh. On the economy, a lot of people will be talking about it today, especially in light of the Fed rate hike. Because I don't want you to sort of have to deal with that, I want to ask you, broadly speaking, how are we doing? How is the U.S. economy from the administration's perspective -- understanding that there is plenty of research out there that also seems to suggest that the middle class is, in fact, still shrinking although, as I've heard from you on a number of occasions, job growth has been consistent over the last 69 months. So if you were to broad-brush it, how are we doing?

MR. EARNEST: I think, speaking generally as a layman, I think the broader trends of our economy are an indication that we have built up significant momentum in the context of our recovery from the worst economic downturn since the Great Depression. And we've had a deep hole to dig out of. But as you point out, we have made sustained and consistent progress -- both if you measure it based on job creation over the last 69 consecutive months -- if you take a look at economic growth, we've obviously made substantial progress in growing our economy at a rate of a little over 2 percent a year since 2010. That is progress that's important. We certainly would like to see the economy grow even faster. And I think some of the things that are included in this budget agreement would actually support those efforts.

We know that a Republican insistence on trying to keep government spending at sequester levels has been and would be bad for our economy, and has been a restraint on economic growth. So, in a balanced way, making critical investments in our economy and in our national security will be good for the overall economy.

Some of the tax cuts that will be made permanent for working people that I described before -- the expansion of the Earned Income Tax Credit, the expansion of the Child Tax Credit, the expansion of the American Opportunity Tax Credit that offers families a tax credit who are paying for college -- that's going to have a positive impact on our economy.

And I'll say, Kevin, some of the priorities that we've identified for next year -- particularly congressional approval of the Trans-Pacific Partnership -- as we look to our economic future are going to have a lot of positive benefits for the strength of our economy moving forward. So these kinds of steps that we've seen from Congress, a willingness to compromise, I think will be good for our economy moving forward. But there's more that Congress can do.

Q Is the President concerned that the middle class is still shrinking? You talked a lot about it, and yet statistically, it is still getting smaller. It is still struggling for full employment, to say nothing of the fact that overall employment is down at the lowest participation rate in decades. How much of that falls on the President? Or is that primarily Congress's fault?

MR. EARNEST: Well, let us follow up with you on a participation rate question. But what I will say is that the President has been focused since his first days in office on putting in place government policies that are in the best interests of working families. And there is no denying that in the economic downturn that our country sustained back in

2007 and 2008 and 2009, that middle-class families and those families that are trying to get into the middle class were hit the hardest and they've had the deepest hole to dig out of.

But because of their tenacity and their skill and their work ethic, our country has made substantial progress. And what the President is hoping now is that we can seize the momentum that we now have built up from the worst -- from our economic recovery. And that's why the policies that I've discussed that are included in the budget bill are important. And it's certainly why we have some ideas for additional things that Congress can do next year to further strengthen the middle class.

Q Quick follow on Assad. Previously, people have made the criticism that in the absence of a Qaddafi or of a Hussein -- a number of places in that region when you sort of take out one admittedly bad guy, if you want to call him that -- you leave a power vacuum, or you might even make things worse. It's been the administration's position the Assad should go, that the people in Syria should make the decision. But what then, is my question. How do you keep it from ending up essentially like what we've seen in other places?

MR. EARNEST: This is exactly the question that Secretary Kerry is working to answer by convening this meeting in New York later this week, where essentially the international community will come together to sketch the outlines of what a political transition inside of Syria looks like.

And this has been no small undertaking when it comes to the diplomatic work that Secretary Kerry and his staff at the State Department have been doing. They're bringing together into the same room representatives from Saudi Arabia, Iran, Russia, the United States, our Gulf partners to have this discussion. And those countries disagree on a whole lot and on a whole lot of things that are high priorities to them. But they all recognize that a political transition inside of Syria is necessary to try to bring some semblance of stability to that war-torn country. And there are a lot of difficult questions to answer about what that transition looks like. But I think everybody recognizes that this will be a task that must be completed in order to address the serious risks associated with continued chaos inside of Syria.

Ron.

Q On Syria, on the military side, is it still the administration's position that the Russians are not attacking ISIS and are attacking anti-Assad groups? Is there any evidence that that's changed? And was that on the agenda in the Secretary's talks? Was there any progress made on that?

MR. EARNEST: Based on the recent briefings that I've received, the vast majority of military operations that Russia has undertaken inside of Syria since September have not been focused on ISIL, but have actually been focused on areas where ISIL isn't present but where groups that oppose the Assad regime are present.

And this is the underpinning of our argument that Russia is more interested in propping up the Assad regime than in fighting ISIL. And the real problem with that strategy -- well, there are a lot of problems with that strategy, but the most significant one is simply this: Even in the context of the fact-to-face meeting that President Putin had with President Obama back in September at the U.N., even before they started carrying out these military airstrikes, President Putin acknowledged -- he agreed with President Obama that a political transition inside of Syria was necessary.

The problem is that as long as Russia continues to take military strikes that are targeted at Assad's political opponents that only serves to prop up the Assad regime, that makes it harder to achieve the kind of political transition that President Putin himself acknowledges is central to the solution. So that's the rub here.

And as much as that contradiction is a source of some frustration to the United States -- as maybe is evident from my tone that I'm using right now and from a tone that you've heard the President use in the past -- it's a much bigger problem for Russia. They're going to be dragged much more deeply into this sectarian civil war that is going to drain their resources and create a significant national security problem for them, or at least -- or even worsen a national security problem for them.

Q So I imagine Secretary Kerry took a crack at this in his talks over there. And it seems like even though the Presidents have spoken and -- we're at a stalemate here. So, conceivably, you have the Russians actually perhaps attacking some of the groups that are going to be at this meeting in New York of opposition leaders. This seems to be -- how do you make any progress as long as that dynamic, that military dynamic is still there?

MR. EARNEST: Well, I'll say, Ron, it's not obvious. And this is why there has been so much intensive consultation between Secretary Kerry and his counterpart. It's why the President has spoken to President Putin twice in the last six weeks. This is an important part of those conversations.

Now, I will say that a lot of those conversations are also focused on the need for Russia to stop their destabilizing activities inside of Ukraine. That is what has led Russia to become so isolated. And certainly when President Obama has an opportunity to speak with President Putin, that is an important part of their conversations. Maybe even the majority of time is spent on those issues. But when they do talk about Syria, this question that you have honed in on has been a central part of their discussion.

Q On the gun issue, someone asked earlier and you've never really wanted to reveal anything about the work of this committee that's scrubbing these laws and so forth.

MR. EARNEST: Yes.

Q But is there -- can you give us any reason why you can't tell us more about what they're doing? And is the President and the administration concerned that the moment might be passing now? He addressed the nation on these issues. The San Bernardino incident is still fresh, but what’s taking so long? What’s the hold up? Can you give us anything about what the problem is? I mean, these issues have been out there for a long time. Can you just not find a legal justification for doing this?

MR. EARNEST: Well, I would say that our problem right now is that Congress will not support common-sense legislation that would make the country safer without undermining the Second Amendment rights of law-abiding Americans. That is the central problem. So part of our solution is to consider the range of authorities that are vested in the executive branch to try to advance some of those common-sense policies. And we certainly do want to make sure that any sort of steps that the President would take have a strong legal basis in the law.

Q You’ve seemed stuck in that place for a long time now.

MR. EARNEST: Well, again, I can understand the sense of urgency that you feel. I assure you that the President and his team that's working on this shares that sense of urgency, because there are innocent lives that are being lost. And I'm not just talking about in the context terrorist incidents like the one we saw in San Bernardino. I'm not even just talking about the kind of mass shooting incidents that get so much attention -- particularly in Colorado Springs, or the Oregon incident that I mentioned earlier. There are innocent lives lost in cities all across America every day from firearms being wielded by individuals who shouldn’t have them. And we need to find common-sense steps that will make it harder for those individuals to get those guns.

We're not going to be able to take an executive action or pass a law that will prevent every single act of gun violence. We're just not -- we're going to be realistic about this. But there are common-sense things that can be done that would make our country safer, that would make it harder for criminals and the mentally ill to get their hands on a firearm. And we can do that without undermining the basic constitutional rights of law-abiding Americans.

Q The Secret Service Officer Baldwin, who was shot and killed in Southwest Washington, I believe he was assigned to the White House branch, which is why I ask about this. Do you know anything more about what happened? And are you concerned that -- we don't know all of the facts, but this is another Secret Service officer from the Uniform Division that may be involved in something that's tragic and perhaps worse than that?

MR. EARNEST: Well, Ron, I'll say that I do not have access to a lot of the details of this particular case. I'd refer you to Secret Service. They may have some more information they can share with you at some point. But I will just say that obviously our condolences go out to the family of the officer that was killed.

Q Just lastly, Adam Szubin’s status is what -- was there some movement? I thought -- no?

MR. EARNEST: Unfortunately, no. I mean, I do think that all of you had an opportunity to see how critical his efforts are to our national security. As we were discussing what he was going to say today, we were talking in my office about the fact that he recently has spent a lot of time traveling in the Middle East, through the UAE and other countries with whom we work closely, not just focused on counter-ISIL efforts, but actually to counter the financing of Hezbollah. I think everybody in the United States Congress, Democrat and Republican, recognizes the threat that that terrorist organization poses to our interests at least in the region and the destabilizing impact that they continue to have, including in places like Syria.

So there are a lot of ways in which his efforts have a significant impact on our basic national security. And this is the thing. When he travels around the world representing the United States he walks in the door with that “acting” title in front of his name. And while he obviously I think commands a lot of respect when he walks in the room, and certainly as he describes the kind of policies that the United States has implemented with our partners around the world to make countries safer, he builds a lot of credibility. But he’s somebody who deserves the respect at least of the Republicans in Congress who have been blocking his nomination for more than a year.

The fact is Mr. Szubin entered this line of work in a Republican administration at the Treasury Department. So there’s no reason that politics should be involved here. In fact, the individual that the Bush administration appointed to run this office, Stuart Levey, is actually somebody who served under President Obama. So there is a long tradition of individuals who fulfill this basic responsibility from not being subject to partisanship. They certainly haven't been treated that way by the executive branch. And it's, frankly, gross the way that Republicans in Congress -- Chairman Shelby, in particular -- have subjected this nonpartisan national security official to petty partisanship.

Lauren.

Q Up until that “frankly, gross” comment, I thought we were sort of on a bipartisan mood today.

MR. EARNEST: Well, look, here’s the thing. It shouldn’t be -- it would be pretty easy for Republicans in Congress -- because here’s the thing. What I could say about Senator Shelby -- I'm getting back to bipartisanship here -- (laughter.) This is what it is. Chairman Shelby has acknowledged that Mr. Szubin is eminently qualified for his job. I think all of you come away with that impression after hearing his presentation. And Mr. Szubin has testified on more than one occasion before Senator Shelby’s committee. So Republicans in Congress certainly understand how qualified he is and that he certainly takes a nonpartisan approach to doing his job. And they understand how central his day-to-day work is to our national security. So there’s no reason this should be a partisan issue. And I'm happy to not make this a partisan issue either.

Q So Speaker Ryan has tweeted out that he has completed two bipartisan agreements that advance the priorities of the Republican Party this week. He used that earlier -- “We succeeded.” Does this mean that the President is pleased with Speaker Ryan’s leadership? Is there a change in tone in D.C. that we could see moving forward?

MR. EARNEST: Look, there certainly has been a willingness on the part of Speaker Ryan and other leading Republicans in Congress -- he wasn't the only person involved -- in trying to find common ground between Democrats and Republicans. And the President entered this office confident that we could advance the priorities of the American people, not by capitulating on our principles, but actually having Democrats and Republicans come together, focus on our shared priorities, focus on the common ground that can be seized, and focus on how we can advance the interests of middle-class families all across the country.

And that doesn't mean that every bill that is passed by Congress and signed into law by the President is going to be perfect in the eyes of members of Congress and the President of the United States. But it does mean we surely should be able to compromise. And the willingness of Speaker Ryan and Leader McConnell and other Republicans to compromise on this proposal I think is clearly in the best interest of the country, is clearly in the best interest of our national security, and I am optimistic that it's going to be good for our economy over the long term, as well.

Q Another question. Tomorrow you're rolling out another faith-based initiative. It's called "Know Your Neighbor." I know my neighbors pretty well, and I bet you do. What is the goal of this program? And why are you launching it now?

MR. EARNEST: Lauren, let me get back to you with some details on this program. But this clearly is a priority, and we'll follow up with you on some details.

Margaret.

Q Josh, on Syria, you said earlier that Russia's priorities appears, in this answer to Ron, appears to be to continue to prop up Assad in the context of ISIL. When Secretary Kerry left the meeting -- three and a half hour meeting with Putin yesterday, he came to the podium and still said there's no agreement on what's going to happen to Assad. So can you explain to us the President's thinking on what an acceptable role for Assad would be in this new transitional government that's being created?

MR. EARNEST: Well, I think that's something that's hard to articulate from here because, again, I think this is going to be part of what will be discussed by the international community in New York later this week. And our view is steadfast. It is that President Assad has lost legitimacy to lead that country, not just because his actions are morally repugnant in terms of the way that he is using the military to attack his own people, but also because, as a practical matter, you're not going to succeed in uniting and governing a country that you spent the last five years attacking.

So just as a purely practical matter, we need to see some new leadership inside of Syria. And the question is, how do we bring that about, and who is that person or who is that group going to be? And there are a lot of countries in the region that have a vested interest in figuring out how this is going to work. But ultimately, it's the view of the United States that this needs to be a process that reflects the desires and ambitions of the Syrian people.

Q So Assad could be the Prime Minister, he could have another role in the government; he just can't be the President?

MR. EARNEST: Well, it's hard to imagine that the Syrian people, most of whom have been violently attacked by Bashar al-Assad, are going to be at all supportive of him having a senior role in their government. But again, the Syrian people will have to decide that. But it would be I guess an irrational decision for them to suggest that he somehow is up to that kind of responsibility.

Q It's going to be pretty hard for the Syrian people, for a million of whom have fled the country and millions more displaced, but then to decide through voting, that's going to be negotiated. That's part of what's being negotiated, is who does what for how long in this new transitional government. So is it not frustrating to President Obama that there is no timeline still for Assad's departure, and we're about to enter on Friday a peace process to hammer out a trajectory within that country? I mean, that's not being hammered out by the Syrian people, that's being negotiated by diplomats.

MR. EARNEST: Well, certainly diplomats are going to put together a process that we believe can be effective in bringing about this kind of political transition. But this is not something that's going to be negotiated over the heads of the Syrian people, or at least those elements of the Syrian opposition, political and otherwise, who have a legitimate claim to participating in these kinds of talks.

It's not going to -- it's not a long-term solution for the intelligence community to try to step in and essentially impose the kind of political changes that we believe are best for Syria. We certainly have some thoughts about that; we'll share them and that will be part of the negotiations. But ultimately this must be, both in appearance and in fact, something that reflects the will and ambition of the Syrian people. And that's why this effort to cobble together the Syrian opposition into some coherent body is painstaking and frustrating work, but is central to our success.

Q But it's got to be frustrating for the President to look at the timeline for his own departure and look over at Bashar al-Assad, a man you described as a mass murderer, and have none for him.

MR. EARNEST: Fortunately, there is a much stronger tradition of democracy in the United States than there is in Syria. And it's one reason, frankly, that the United States continues to be the greatest country in the world and a country that can exert such substantial influence in these kinds of discussions. It certainly adds to the credibility of our government when we walk in there and we say, well, the current President of the United States is not carrying out mass attacks against its citizens, but yet he's going to do the responsible thing. And when his term is up he's going to leave.

Q That's a heck of a slogan. (Laughter.)

MR. EARNEST: I don’t know if it fits on a bumper sticker.

Q Right. But can’t you explicitly say here -- because Secretary Kerry was pretty explicit in saying we don’t need regime change. We’re just talking about the guy himself, Bashar al-Assad; we don’t need regime change. Can’t you explicitly say this isn’t about “Assad has to go” anymore, it’s about what role he plays in the future?

MR. EARNEST: Again, it is hard to imagine a rational Syrian voter deciding that somebody --

Q It’s hard to imagine a Syrian voter.

MR. EARNEST: Well, again, this is part of the painstaking diplomatic work that is underway. But it is -- we will see what this process looks like. It will play out not just in the short term; this is going to require the sustained effort of the international community, led by the United States, to get there. But based on, just as a practical matter, what Assad has done, the violence that he has perpetrated has basically caused him to lose legitimacy to play a leadership role in that country.

Q Can I ask you quickly on the omnibus?

MR. EARNEST: Absolutely.

Q It looked like the Republicans were saying they were happy as to what they got on Gitmo, which was a ban against transfers and a block on funding to modify, build, or use any kind of facility to hold prisoners. Is the White House still trying and still believe that they can shut down Gitmo?

MR. EARNEST: The language that they’re referring to I believe is consistent, if not identical, with the language that we’ve seen Republicans include in other pieces of legislation, including the NDAA. So obviously we’ve objected to the inclusion of that language in other bills, and we certainly object to the inclusion of that language in this bill, as well. But it certainly hasn’t changed the closing of the prison at Guantanamo Bay.

Q It doesn’t preclude the closing.

MR. EARNEST: Well, it doesn’t change the fact that closing the prison at Guantanamo Bay continues to be a top priority of the President. And I’d just note that it isn’t just the priority of this President, it was a priority expressed by the previous President and by Democratic and Republican national security officials that have served Democratic and Republicans Presidents quite proudly.

JC.

Q Back on the topic of chaos and violence -- not the domestic kind, but the international kind -- and to follow up on Kevin’s query about when there are leaders who have gone and there’s vacuums created -- certainly ISIL has taken advantage of the situation, the crisis in Libya, and there’s warring factions going on there. And there seems to be a summit in Rome going on now, where U.S. -- U.N. and European officials are gathering, and they are backing a proposed peace plan between the warring factions in Libya. How confident are you and is the President in this particular deal taking place, happening, and becoming something that could be really quite an improvement over the situation?

MR. EARNEST: Well, I know that these are also conversations that Secretary Kerry had the opportunity to participate in earlier this week. There is a U.N.-led political process in Libya that's advanced farther than the Syria process has. But obviously there are significant challenges facing the people and government of Libya. And we do believe that putting in place a stronger, more stable governing structure inside of Libya must be one that reflects the will of the Libyan people. But it will certainly play a role in making it harder for ISIL to establish a safe haven inside of Libya.

Q These officials are confident that this peace plan is actually taking shape, that they think this may come off?

MR. EARNEST: I don't have an updated assessment of the talks for you, but certainly this is something that we've been focused on and this is a priority, and that's why Secretary Kerry was participating in those talks just a couple of days ago.

Gardiner.

Q Has the President seen the new "Star Wars" film? (Laughter.) And if so, what's he think of it? If not, does he plan to?

MR. EARNEST: I have not asked him about it, so I don't know if he has had the opportunity to see it yet. But I am confident that the President will at some point see the movie. But I haven't had a chance to talk to him about it yet.

Dave, I'll give you the last one.

Q Thank you, Josh. Back on the budget. We've been talking about Republican leaders' ability to compromise. Where did the President compromise the most in this budget?

MR. EARNEST: Well, I guess by compromise I think it means sort of tolerate the inclusion of some Republican priorities in the bill. I mean, I think the two things that I would highlight are actually a couple of things that have already been addressed.

The first would be the legislation to lift the ban on crude oil -- the ban on exports of crude oil. That's not a policy that we've supported, but it will not prevent the President from signing this bill. I think I've explained why that is different than many of the other ideological riders that we succeeded in keeping off the bill. So that would be the first thing.

I think the second thing is some of the changes to the Affordable Care Act are not nearly as significant as the kinds of changes that Republicans routinely advocate for. But they aren't the kinds of changes that we support. There are some in there that are, but certainly the suspension of the “Cadillac tax” for two years and the suspension of the medical device tax for two years are not proposals that are supported by the administration, but we’re willing to go along with it because of the important measures that are included in this legislation.

Q Back when John Boehner retired, there was a lot of talk that these budget negotiations were going to become much more complicated and much more difficult. Do you see any difference now that the dust has settled?

MR. EARNEST: Well, again, I think we have seen a willingness on the part of Republicans to compromise. I think one thing that is consistent with previous negotiations is that we’ve seen the deadline slip a little bit a couple of times, but there has been a good-faith effort on the part of Republicans to try to find some common ground here. And I think that will be reflected in the final votes. There will be some Democrats and some Republicans that oppose this, but I think that we will see a bipartisan majority in support of a compromise proposal. And the country is very well served by that kind of legislative process. And Democrats and Republicans both deserve credit for that.

Look, the other undeniable factor here is that Senator McConnell and Speaker Ryan didn’t want to preside over a government shutdown. Leader McConnell recognized at the beginning of this year that being in the majority in the United States Senate was going to be a real test for Republicans in terms of whether or not they could be trusted to govern the country.

And while there have been a lot of fits and starts over the course of this year, and whether it’s the confirmation of the Attorney General that lasted much longer than it should have, or the delay in confirming Adam Szubin, or the passing of some common-sense gun safety measures, there have been some fits and starts here -- but arriving at this kind of common-sense proposal is a credit to the willingness of Republican leaders to actually work constructively with Democrats to advance the best interests of the country.

I think something similar could be said about Speaker Ryan, but I think in some ways his concerns may have been a little bit more acute. He was brought in to try to solve the dysfunction in the House of Representatives, and I don’t think shutting down the government six weeks into his tenure would be sending the kind of signal that he was hoping to send. So certainly their interest in trying to reach an agreement was an important part of the success that the entire country will reap the benefits of.

Thanks, everybody. We’ll see you tomorrow.

END 2:27 P.M. EST