

RELEASE IN PART
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From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, November 11, 2011 11:02 PM
To: H
Subject: Fw: Press Gaggle Aboard Air Force One En Route San Diego, CA

Apropos of what Evan said - leaning into China.

From: Rhodes, Benjamin J. [mailto:]
Sent: Friday, November 11, 2011 10:40 PM
To: Sullivan, Jacob J; Nuland, Victoria J
Subject: FW: Press Gaggle Aboard Air Force One En Route San Diego, CA

B6

FYI

B5

From: White House Press Office [mailto:noreply@messages.whitehouse.gov]
Sent: Friday, November 11, 2011 7:15 PM
To: Rhodes, Benjamin J.
Subject: Press Gaggle Aboard Air Force One En Route San Diego, CA

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 11, 2011

PRESS GAGGLE
BY PRESS SECRETARY JAY CARNEY
AND DEPUTY NATIONAL SECURITY ADVISOR
FOR STRATEGIC COMMUNICATIONS
BEN RHODES

Aboard Air Force One
En Route San Diego, California

3:39 P.M. EST

MR. CARNEY: So I have with me Ben Rhodes, Deputy National Security Advisor for Strategic Communications, just in case you have or want to ask him questions about foreign policy, national security issues involving this trip. But you're not obligated to do so. But I dragged him back here just in case.

Before I get started, I want to alert you to the fact that the President today at the beginning of the flight reached out separately to Senator Murray and Representative Hensarling. With the Joint Select Committee's deadline to report approaching, the President wanted to hear from the bipartisan leadership of the committee on the status of their discussions.

The President urged them to encourage the committee to reach a deal. The President reminded them that he put forth a very detailed plan for deficit reduction to the committee, and reiterated that any approach must be balanced and will required tough choices by both sides, including looking at revenues and entitlements.

The President also made clear that he will not accept any measure that attempts to turn off part of the sequester. The sequester was agreed to by both parties to ensure there was a meaningful enforcement mechanism to force a result from the committee. Congress must not shirk its responsibilities. The American people deserve to have their leaders come together and make the tough choices necessary to live within our means, just as American families do every day in these tough economic times.

The President urged both leaders to get this done.

With that, I will take your questions.

Q He called them at the beginning of the flight, separately?

MR. CARNEY: About an hour or so in, yes.

Q Individual calls?

MR. CARNEY: Yes.

Q And what prompted his particular warning about turning off the sequester?

MR. CARNEY: Well, we've seen some discussions on Capitol Hill about changing the sequester or turning off part of it, so that's what prompted it.

Q So he would veto any measure that would do it?

MR. CARNEY: Well, I'm not going to speculate about how this will play out, because there is no bill to talk about in those terms. But he said he strongly opposes that, those efforts, because the sequester was voted on and supported by the members of both parties for a reason, so that there was a serious enforcement mechanism to make the Joint Select Committee have -- to prod it to reach the finish line here. So he thinks it's important that the committee do its work and Congress do its work.

Q So it's not a veto threat? You wouldn't call it that?

MR. CARNEY: There's no bill, there's nothing to threaten a veto over.

Q How would you --

MR. CARNEY: -- in what he said. He said -- made clear -- the President made clear he would not accept any measure that attempts to turn off part of the enforcement mechanism. We'll see what Congress does. Right now the important thing is for the committee to focus on its work to achieve what is eminently achievable, which is a significant deficit and debt reduction package that, in a balanced way, makes sure that not any single segment of society is unfairly burdened by the effort.

Q What was the update that he received? He asked for a status update, so what was --

MR. CARNEY: He spoke with both Senator Murray and Congressman Hensarling about the progress the committee is making. I'll leave it to them to describe their side of the conversation.

Q Is he satisfied that they are making progress?

MR. CARNEY: Well, I think he got a good update on where things are. They're obviously continuing to work. We remain hopeful that the committee will get the job done.

As I said earlier this week, it's not that complicated how you go about this. Some of the choices are very difficult, but what the choices are and what needs to be done is not that complicated.

Q How long were the conversations?

MR. CARNEY: Five to 10 minutes.

Q Can we hear from Ben, maybe, on the trip? Can you talk a little bit about China, Ben? And is part of the agenda for this trip to reassure some of the East Asian countries that the U.S. will be a reliable partner, maybe, in managing China's rise?

MR. RHODES: Well, I think one of the messages of the trip, as well as our entire foreign policy, is that the United States is all in as it relates to the Asia Pacific region in the 21st century.

On the economic side, we're building an alignment of countries through the TPP that adhere to very high standards of free trade, addressing labor issues, environmental issues, as well as issues around technology and innovation.

As it relates to our security posture, I think we're going to be making it clear over the course of the trip that the United States will continue to play the role it has throughout the last half century in being an anchor of security and stability in the region, and having the type of

force posture in the Asia Pacific that can protect our interests as well as those of our allies in the region.

And then in each of these institutions, I think what you see is a desire for U.S. engagement and U.S. leadership from many of our allies and partners in the region. So whether you're talking about APEC or the East Asia Summit, I think we have reengaged those organizations over the course of the last two or three years. The U.S. had been absent before that, at a time when we had seen the emergence of not just China but many other nations who have had fast-growing economies.

And so I think the message we're sending is that the U.S. is going to play an active role in shaping the future of this region. We're going to play an active role in each of these institutions. And we're going to be able to secure American interests, as well as be that anchor of stability in the region that has allowed it to develop peacefully and successfully.

Q Do cuts in the defense budget, would that possibly inhibit the United States' ability to project force and influence in that region?

MR. RHODES: Well, I'd say a couple things. First of all, since the beginning of the administration, what we've focused on doing is drawing down our presence in the wars so that we can focus on a broader set of priorities. And in particular, as we end the war in Iraq and wind down in Afghanistan, one of the places that we are shifting our focus and priority to is the Asia Pacific region.

So we very much, throughout our foreign policy, in terms of our defense approach, in terms of our diplomacy, want to be increasing the focus on the Asia Pacific, because we believe that's where the growth of the 21st century is going to come; that's where America's security interests are going to be particularly acute in the 21st century as well. So we believe we can, again, assure our role, play our role in terms of having a robust force posture even in a time of fiscal austerity in cuts in a defense budget.

Q Will the U.S. be talking -- I'm sorry, will President Obama be talking to Hu Jintao on the issue of currency rebalancing?

MR. RHODES: Yes, I think he'll be talking to the Chinese about a range of issues. On the one hand, you have the rebalancing approach that we've taken in which we've talked to the Chinese not just about the need to move -- not just about our concerns about appreciating their currency, but also about taking other steps to increase demand within China's market, because, again, to sustain global growth we're going to need to see greater demand from the emerging economies including China.

But we also raise issues around intellectual property, around innovation and other things that are very important to U.S. businesses. And I think in the broader sense this Asia Pacific trip and the APEC Summit in particular is a chance to build out the U.S. agenda to include other nations in terms of building trade in the TPP nations, in

terms of elevating innovation policy through APEC so that the United States is setting high standards for trade, is increasing our trade relationships and export relationships with nations that meet those standards, as well as raising them on a bilateral basis with the Chinese.

Q Jay, back to the sequester -- back to the super committee stuff. Did the President indicate or is the administration posture -- would it be okay with extending the deadline if it was necessary, if they thought they could get something done, extending the deadline beyond December -- beyond the end of the year?

MR. CARNEY: I think that discussion is premature because there is a deadline mandated by law. The super committee has had ample time to work on this and has had substantial help in its work with the variety of proposals that have been put forward -- responsible proposals by the President's fiscal commission, by the Domenici-Rivlin commission, by the President himself in his growth and deficit reduction plans.

Q -- give specific warning sort of the way he did on the sequester?

MR. CARNEY: They did not discuss that issue about the deadline. He expects the Congress and the committee to act.

Q And the continuing resolution, assuming there is one on the 18th, is he going to robo-sign it? How will you guys handle this?

MR. CARNEY: I'll have to take that question to figure out how that's done. Let me check.

Q Can you tell us what the President told President Sarkozy and Chancellor Merkel yesterday when they spoke?

MR. CARNEY: Say that one more time?

Q What did President Obama tell Chancellor Merkel and President Sarkozy when they spoke yesterday?

MR. RHODES: Well, first of all, he called them after he spoke to President Napolitano of Italy. and in his call with the President of Italy, President Obama expressed confidence in the leadership of President Napolitano in the steps that he was taking, again, to assure that Italy meets its responsibilities in addressing its own economic issues in the context of the eurozone crisis.

So that when he then called Chancellor Merkel and President Sarkozy, first of all, he was able to update them on his conversation with the President of Italy, and then, building on that, they were able to discuss the ongoing efforts in the eurozone, the situation in Italy and the steps that are being taken there, as well as continuing the discussions they had at the G20 as it relates to, again, building a strong firewall,

implementing the plan that the European leaders have agreed to, to stabilize the eurozone.

Q In these calls -- I'm sorry -- when was the call to Napolitano?

MR. RHODES: He called Napolitano early afternoon, and then he called Chancellor Merkel and President Sarkozy later in the afternoon. And again, Napolitano was able to update the President on his efforts within Italy, and President Obama expressed great confidence in the leadership of President Napolitano and the steps that he was taking, again, the assure that Italy was able to meet its challenges.

Q Can you tell us how much of a front-burner issue the consultations on the IAEA report will be --

MR. RHODES: I would expect that the IAEA report will be a subject particularly in the Russia-China bilateral meetings. Russia and China obviously are part of the P5-plus-1 grouping of nations that we have worked with on Iran. The IAEA report recently came out -- there's a Board of Governors meeting upcoming at the IAEA. So I think this will be our first series of consultations at this level with the Russians and the Chinese since the report came out.

So it will principally be with those two nations. I think the other meetings that the President has will probably focus on other matters.

Q -- Israelis at this point, any talks, any consultations with the government of Israel?

MR. RHODES: We're in consultation with the Israelis on a regular basis at a working level, so we've certainly been in touch with the Israeli government since the IAEA report came out -- not at the level of the President. But we'll continue to be consulting closely with the Israelis. We have a regular dialogue with them and many other nations about the Iranian nuclear issue that will continue.

Q Back on Medvedev, following the reaction of Russia to the report, are you concerned at all that the front of international cooperation, which was part of the reset against Iran, is at risk? I mean, is it going to continue -- is it going to fray at all? Do you see -- (inaudible) -- reaction is kind of the full voice of Russia on this?

MR. RHODES: I'd say a couple of things. First of all, I think the report just recently came out. I think everybody needs to take the time to review the report. I think the Iranians have not responded sufficiently to the report. And we'll want to communicate directly with the Russians about our concerns with the report. This will be the first communication between President Obama and President Medvedev since it came out. So, again, I think it -- there are additional consultations that need to take place between the United States and Russia about next steps, both on a bilateral basis and within the IAEA Board of Governors.

And secondly, I think I think it's also always been the case that the Russians are part of an international front that is exemplified by U.N. Security Council Resolution 1929, which enables the multilateral sanctions. The Russians had taken steps on top of those sanctions where it cancelled certain military contracts.

But it's also the case that there are like-minded nations with the United States that have gone far above and beyond the baseline and foundation of 1929 to continue to apply pressure and additional sanctions. So we'll always be looking to work with both our P5-plus-1 partners to maintain that front of international pressure on the Iranians, and also building out from that, with a number of like-minded states to apply the type of sanctions on Iran that have ground its economy to a halt, have caused even President Ahmadinejad to acknowledge that the sanctions are having a serious impact on their economy.

So, again, it's an important meeting with the Russians to discuss this, and at the same time we're examining ways with a range of nations to increase our sanctions on the Iranian government in the coming weeks.

Q -- on the super committee, in the conversations today did the President say that he would be checking in with them again while he's away?

MR. CARNEY: He will be, I'm sure, updated -- I know he will be updated regularly by his own staff and is prepared to make phone calls as necessary. And of course, senior administration officials remain in Washington to advise as necessary the members of Congress involved in this process. But let's not forget that this is a congressional committee established by a piece of legislation that members of both parties voted for and it is Congress's responsibility to act. The President, at the beginning of the process, put forward his own very detailed, comprehensive proposal, balanced proposal, and if they're looking for the President to guide them, they need only look to that proposal and they can find their way forward.

Q Does the President expect the NLRB situation with Boeing to come up when he has this meeting with Boeing's CEO?

MR. CARNEY: Well, as you know, Chuck, the NLRB is an independent agency, so I don't expect that that would come up in a conversation.

Q You don't expect --

MR. CARNEY: I don't. I, of course, don't know, but I don't expect from our end.

Q Jay, what are the nature of the President's comments going to be on the carrier this evening? Is it a veterans message?

MR. CARNEY: It is a Veterans Day event. I mean, obviously it's a sporting event, but it's being held on the carrier on this day because of

what this day means annually for Americans of all kinds, and Americans who served in our military in the past. And he wants to use this occasion to remind Americans of the remarkable sacrifice and service that our men and women in uniform have performed for us in the past and continue to perform for us.

So he's looking forward to that aspect of it -- principally the uniqueness of the event and the fact that because of the uniqueness of the event, it may draw more attention to the importance of this day. And he's also a basketball fan, so I'm sure he'll enjoy the game.

Q Only way to watch basketball right now.

MR. CARNEY: What's that?

Q Only way to watch basketball right now.

MR. CARNEY: I think there is a limit on the amount of basketball you can watch this season, sad to say. So I know he's looking forward to this.

Q Can I do one with Ben? Sorry. Ben, just following up on what you said on China, coming into this summit China seemed a little bit disgruntled. It said that you guys are trying to do too much on trade and green issues. Now there's been this kind of exchange over Tibet. Are you concerned at all that what you're trying to achieve may be sort of watered down a little by China's attitude?

MR. RHODES: Well, first of all, we have through the TPP an alignment where you have nine nations who are working towards an agreement that sets very high standards for multilateral free trade. There are also indications, for instance, that additional nations may want to come in -- to come be a part of that. Japan has made indications of that nature as recent as today.

And so what we're focused on is not any one nation but what are the standards by which nations should be pursuing trade, what are the ways in which we can forge win-win outcomes that allow for our economies to grow but that protect intellectual property, have sound innovation policy, have regulatory convergence across the region, again, so that all nations can participate in a dynamic and growing economy.

So none of the -- the measures that we're pursuing, again, our in our interests but we also think they're in the interests of the region's economy. They're not targeted at any one nation. Through the APEC agenda, obviously separate from the TPP, we are focused on a range of areas -- innovation, regulatory convergence, green growth -- again, that we think are in the interests of all the nations that are there at the table. And that's why the United States has pursued an ambitious agenda to try to move forward on a range of issues that are necessary for economic growth.

So, again, we're very clear about what we think the important components of a thriving Asia Pacific region are. We're going to raise that through the TPP, we're going to raise that through the APEC Summit, and we'll continue, again, to work on behalf of a region that has economies adhering to rules of the road and engaging in the type of trade that can be beneficial to all nations.

As it relates to Tibet, I think we've consistently had a dialogue with the Chinese on this issue and that dialogue will be ongoing. We've made it clear we respect, of course, the territorial integrity of China and the sovereignty of China. We've also made clear our support for the religious and cultural identity of the Tibetan people.

Q Thanks.

MR. CARNEY: Thanks, guys.

END

3:51 P.M. EST

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