

Exhibit 20

June 2012 Carney Statement

Press Briefing by Press Secretary Jay Carney, Secretary of Education Arne Duncan, and Director of the Consumer Financial Protection Bureau Richard Cordray, 6/5/12



James S. Brady Press Briefing Room

2:35 P.M. EDT

MR. CARNEY: We apologize for the delay, but we are glad that you're here and welcome you as ever to the briefing room for your daily briefing.

As I think was advertised, I have with me Secretary of Education Arne Duncan on my right, and to my left, Director of the Consumer Financial Protection Bureau, Rich Cordray. They're here to talk to you about student loans and college costs. They participated in a roundtable just earlier this afternoon that was led by the Vice President with a number of presidents of colleges and universities to discuss ways to provide students with more transparency about college costs to help them make very important financial decisions.

So what I'd like to do is first turn it over to Secretary Duncan and then Director Cordray. They'll talk to you about these issues, this bucket of issues. If you could direct questions to them on their issues at the top, after which we'll let them leave, and I'll be here to take your questions on other subjects.

And with that I give you the Secretary of Education.

SECRETARY DUNCAN: Thanks so much, Jay. And thanks, all of you guys, for giving us the opportunity.

As all of you know, post-secondary education is the ticket to economic success in America. But while it's never been more important to have a degree or certificate, unfortunately it's also never been more expensive. The Obama administration is working every single day to do our part to keep college affordable by helping students better manage their debt after graduation.

We've also proposed to extend and make permanent the American Opportunity Tax Credit and to create new incentives for states and institutions to keep college costs from escalating and to increase those completion rates.

And we're also working to provide parents of students with the information they need to make smart educational decisions so that they can know before they owe.

Each year, colleges and universities send prospective students and their parents financial aid award letters, intended to lay out how much it will cost them to attend school. But as you guys know, these letters often look different, contain different information and often, frankly, do a poor job of making clear how much a student will receive in terms of grants and scholarships, and how much they'll have to borrow in terms of student loans. This not only makes it difficult to figure out how much college will cost, it also makes comparison shopping almost impossible.

And we have the best system of higher education in the world, over 6,000 institutions of higher education. So that situation now makes no sense to me. I just fundamentally think we have to empower parents and students to make a good choice. And that's why we've been working so hard on designing an easy-to-use form that standardizes this information and makes the true cost of higher education much more transparent.

We plan to have it available in the beginning of the upcoming school year of this fall, and we hope that it will be voluntarily adopted by the higher education community. This is, frankly, not rocket science. However, I think it is a triumph of common sense.

In advance of that, we're pleased today to announce that leaders from 10 universities have already voluntarily adopted five data elements from our shopping sheet proposal. They'll provide much greater transparency for prospective students and families. And these 10 university presidents, who we just met with -- it's a fantastic group -- I want to thank them for their leadership, their courage and their commitment. And those 10 colleges by themselves represent over 1.4 million students -- fully 5 percent of the higher ed community -- so very significant players at the table today and a huge amount of energy and enthusiasm in the room.

All of these institutions have pledged to provide every incoming student for the 2013-2014 school year with easy to understand information as part of their

financial aid package, and that includes these five elements I talked about: First, how much one year of school will cost them. Secondly, financial aid options to pay for this cost with a clear distinction between grants and scholarships, which obviously do not have to be repaid, and loans, which do. The net cost after grants and scholarships are taken into account. Fourth, estimated monthly payments for the federal student loans the student will likely owe once they graduate. And, finally, critically important information about student results, including comparative information about default rates, graduation rates and retention rates for the school.

We've worked very, very hard on the access side. That's a big step in the right direction. The goal, however, is not access. The goal is completion and understanding that all these students graduate at the back end.

Having this important information provided both clearly and transparently will help students and their parents invest wisely and make the best, most informed decision possible about where to enroll. That's the fundamental point here. And today, we're calling on all colleges -- all 6,000 colleges, university presidents -- from across the country to make the same commitment as those 10 leaders did today to provide this easy to understand financial data about their higher education investment.

Director Cordray and all the folks on his team at CFPB have been just amazing partners in this effort. And I want to thank them for their leadership and their commitment as we take on this critically important work. And now, I'd like to turn it over to Rich to talk about what the CFPB is doing to help parents, students and consumers know before they owe.

MR. CORDRAY: Thank you, Arne. Higher education is a critical part of the American Dream, as all of you know. I'm sure it's been true in your lives. But for many students today, this dream can only be realized through borrowing.

Figuring out how to pay for college can be daunting. It's often the first major financial decision that a student will make, one that will affect her for the rest of her life. Unfortunately, for many families, the process is often complex and confusing. It's hard for students to compare college costs, evaluate financial aid options and figure out how much debt they can afford.

We have heard from thousands of student loan borrowers who tell us that they simply didn't understand what they were signing up for. Many of them chose private loans before exhausting their federal loan options, which are cheaper

and protect them if they run into trouble. Some resorted to credit cards and other high-priced loans. And, all too often, borrowers got in way over their heads.

Recently, we announced that outstanding student loan debt had crossed the \$1 trillion mark. Student loans have eclipsed credit cards as the leading source of U.S. household debt outside of mortgages. The stakes have never been higher for families to clearly understand the costs and risks of student debt. We're still recovering from the worst financial crisis since the Great Depression.

While a college education can be a gateway to better job prospects, taking on too much student debt can have real consequences. Students need to know before they owe.

The Consumer Bureau's goal across consumer markets is to give people the confidence and peace of mind that the financial world is not full of tricks and traps that will ruin their lives. We want information to be clear and easy to understand, so that consumers can make wise financial decisions for themselves and their families.

Today's announcement is an important step toward that goal. We're grateful to Secretary Duncan for being a strong partner in a Know Before You Owe initiative to develop a financial aid shopping sheet that enables students to clearly see their aid options so they can pick the package that works best for them.

And we're pleased to receive support today from college presidents representing some of the largest universities and university systems in America who are committed to ensure that their students understand their financial aid and student loans and the cost of college.

We look forward to continue working with them to create a system where students can climb the economic ladder and live their American Dream. Thank you.

MR. CARNEY: With that, we'll take your questions.

Q Thank you. To either of you -- what can you do to monitor the universities who are going to impose these standards to make sure that they're being imposed properly? And also, you talk about encouraging other students to get

on board. In addition to kind of asking them to do so today, what will you do in the coming days to try to get more schools on board?

SECRETARY DUNCAN: To be clear, these aren't standards. This is just transparency. This is just basic data -- how much are your grants, how much are your loans, what are graduation rates, what do you have to repay at the back end. And we just think America's young people and their families deserve to have really basic information about this huge decision they're making.

We think there's going to be a tremendous appetite out there. We don't think universities have anything to hide. And we think just providing that transparency will make families -- will enable families to make better decisions. So we're going to work really, really hard. Again, great leadership here. These are major, major systems who have already signed on. And our goal is to have 100 percent of universities sign on as we go into the fall.

Q Secretary Duncan and Jay, could you respond to the Republican criticism on this student loan bill? They're saying that the Democrats have not responded to their proposals that this legislation be paid for.

SECRETARY DUNCAN: I think obviously all of us want to get this thing done and get it done before July 1st. And the President has worked extraordinarily hard and traveled the country. The Vice President has worked extraordinarily hard and traveled the country. I've done the same. If the Republicans are getting serious about that, that's fantastic. And we hope, over the next couple weeks, we fully expect Congress to do the right thing and to solve this and solve it in a bipartisan way.

Q Does that mean, though, that you're open to a compromise offsetting the cost of it, or see the --

SECRETARY DUNCAN: I don't think it's my job to negotiate from here, but again, our goal has been to have this fixed -- to have it fixed by July 1st. That's critically important. For so many not just disadvantaged families, but so many middle-class families now are starting to think college is unaffordable -- somehow it's not for them, it's for rich folks. That's a real problem. We can't afford to take this step in the wrong direction. We have to keep those Stafford interest rates low. And we're committed to doing that, and absolutely hope and expect the Republicans to work with us in a bipartisan way to get this done -- not to talk about it, but to fix it.

Q Secretary Duncan, what programs are you saying that will not be on the table to be considered to help fund this --

SECRETARY DUNCAN: Yes, again, I don't think I'm -- it's not right for me to negotiate from here, but it's up to Congress for the House and Senate to work together and to get this done by the end of the month.

Q But for instance, they're saying things like the nutrition programs and that kind of efforts that the East Wing is doing to help --

SECRETARY DUNCAN: So they're not serious proposals, and that's not one we're going to take seriously. But if it's a serious proposal, we'll entertain it seriously.

Q This is for Mr. Cordray mainly, but it may also apply to you, too, Secretary Duncan. The House Republicans are using a lot of the appropriation bills to cut back on spending in some of the areas that constitute what the administration would consider its achievements to date. And, for instance, the ag appropriations bill cuts back deeply on the CFTC. There are cutbacks for the SEC. I'd like to know what this means, do you think, for enforcement and implementation of the Dodd-Frank law. And if you have anything in terms of the appropriations for your department and Race to the Top or any other program, I'd like to hear it.

MR. CORDRAY: I think obviously if you don't have resources, it makes it harder to enforce the law. The CFPB is like the other banking agencies where we're not an appropriated agency, and I think that that's appropriate. Those agencies have been taken out of politics for many years, in some cases over a century. It's very important for us to do our job of protecting the American consumer in the financial marketplace. That's a hazardous place; they often end up in trouble -- we've seen that. It helped lead in the mortgage market to the financial crisis, and that's why we're working to fix that.

Q Can you give a specific, maybe, of how enforcement would be affected?

MR. CORDRAY: Well, given that the proposals you're talking about don't affect the CFPB, I'm not in a position to give a specific. But I think it's just basic common sense that if you don't have the resources to enforce the law, you're not going to enforce it effectively. And I think that's part of what's contemplated here.

Q Secretary Duncan, is there anything that applies?

SECRETARY DUNCAN: Sure. I mean, if you look at the Ryan budget, you see a couple -- potentially a couple hundred thousand children lose access to Head Start. I would argue that's probably the best investment we can make is to get our three- and four-year-olds off to a good start and ready to succeed in kindergarten. You'd see potentially hundreds of thousands of people lose access to Pell grants and Pell grants take a step backwards.

It's one of the things I've been most proud of that we've seen a 50 percent increase from 6 million to 9 million people, young people with access to Pell grants and going to college. And we need to educate our way to a better economy. And anyone who argues we need less access to college, that that's the right thing for children or families or our communities or our nation, I think we're cutting off our nose to spite our face.

So I continue to think passionately that education is an investment not an expense. We're not -- we've never asked for an investment in the status quo. Hopefully, you've seen our administration push an unprecedented level of reform at every level -- early childhood, K to 12, and now in the higher ed side. We're proposing a Race to the Top for higher education. But obviously, this is about shared responsibility, so we have to invest at the federal level. But on the higher ed side, which we're talking about today, this past year, 40 states cut funding for higher ed -- 40 states, 80 percent of the country. How is that good for where we need to go?

I know these are really tough economic times, but we want to use a Race to the Top for higher education to incentivize states to invest and make sure more young people have access, not less. So we have to get there. And the jobs of the future are going to go to the countries where they have the knowledge workers -- and that's either going to be here, or that's going to be overseas. And that's up to us. That's in our control.

Q Why are tuitions skyrocketing so much? And what has become of the administration -- previous proposals by the administration to try to clamp down on this by threatening to withhold federal funds if tuitions keep rising?

SECRETARY DUNCAN: It's pretty simple. I mean, the biggest driver of increased tuition -- there are states cutting back on funding for it. That's the biggest driver. And so, where states continue to invest, where we can challenge that, then we can continue to challenge universities to be efficient and to be more effective and to be more productive and use technology.

But our goal for Race to the Top for higher education is threefold. One is to incentivize states to continue to invest. Secondly, is incentivize universities to keep tuition down. And many places are doing very creative things in tough economic times -- not everybody, but a lot. And then, finally -- I keep saying this -- it can't just be about access, it's got to be about completion. So where universities are building cultures around completion where first-generation college-goers and English-language learners and Pell grant recipients are graduating, we want to use Race to the Top resources to incentivize that behavior. It's got to be about shared responsibility. We have to play. States have to play. Universities have to play.

Q Just a quick follow-up. When you talked about some of the creative solutions, are you referring to the program recently profiled in Ohio where they're selling off this lease to all of the parking, and privatizing the airport and --

SECRETARY DUNCAN: I don't know that one specifically. We see universities who are going to three-year programs, going to no-frills campuses. You see universities doing very different things. It's actually really interesting. All those introductory classes that often wash out half the students -- half the students fail -- they're actually doing some really creative things with technology of driving down costs and increasing passing rates pretty substantially. So there's lots of work that universities are doing in a creative way to control costs and to make sure students are staying in there. We have to take those best practices to scale. We have to make that the norm rather than the exception.

Q For the Secretary, along with the accurate sticker price initiative, has there been any commitment by these university leaders to control their costs, keep their costs down? Because I would imagine that there's maybe an incentive to not participate in something like this, so you can maybe hoodwink students into paying a little bit more.

SECRETARY DUNCAN: So I think if folks are out there trying to hoodwink students, we have the bully pulpit. And where folks are doing that, we intend to be very loud and very clear. And again, we have 6,000 institutions of higher education. We have the best system in the world. What we haven't had is enough transparency. I think transparency is a very, very powerful lever. And again, that's why this partnership is so important.

And our young people are smart and savvy. And if some university thinks they're going to get over or get by, by hoodwinking people, I think that's a losing strategy.

Q But is there a commitment from these universities to control their costs as part of this plan?

SECRETARY DUNCAN: Many of them are doing that in a creative way. People in very different situations -- in some states we have -- Maryland has done a pretty good job of funding education. California is very -- has struggled. So not every institution is at a similar platform, so it's a little hard to hold everyone to the same standard. But asking everyone to become more efficient, to become more economical, you had some real leaders there who are doing that.

And again, what we want is, with transparency, good actors are going to get rewarded, people are going to vote with their feet. Bad actors are going to lose business, and we think that's okay. We think that marketplace needs to play in ways that it hasn't before.

Q Senate Republicans, Mitch McConnell, House Republican leaders are really complaining that they've offered up four different ways now to pay for the student loan fix, all of which they say are in the President's budget, are things the President himself has proposed. They can't get a response back from the White House. Is that something that they should expect this week? And how long is it going to take for the White House to sort of figure out where they're --

SECRETARY DUNCAN: Again, I think it's our collective goal to have this done by July 1st, whatever that's -- three weeks, three and a half weeks, whatever it is. And we're glad folks are taking this very seriously now, and we hope and anticipate moving forward in a bipartisan way by the end of the month. Absolutely. I feel the real sense of urgency now.

Q Are you going to be negotiating with them, or is the White House going to be negotiating with them?

SECRETARY DUNCAN: Again, this is -- Congress has to do this together, so we're happy to help, happy to participate. But we need Republicans and Democrats to come together. And if they can come together on nothing else, I think they can come together on education and do the right thing. So we fully anticipate and expect this to be resolved in a good way and this problem to be

fixed for the 7.4 million Americans this would impact if it doesn't get fixed. We anticipate by the end of the month having a good resolution here.

Q One of the Republicans' proposals is to raise the federal employee retirement contribution. Is that something that you would propose? I mean, this economic climate --

SECRETARY DUNCAN: Again, I'm not going to --

Q -- it would be --

SECRETARY DUNCAN: I don't think it's appropriate for me to get into any specifics here. Again, the goal is to get this done in a bipartisan way that makes sense over the next three, three and a half weeks.

Q I think Senator McConnell, though, said today that there hasn't been any outreach from the White House on this. Is that true? Has there been --

SECRETARY DUNCAN: I don't know all the details. I have a lot of respect for Senator McConnell, and if he's very serious about this, we want to sit down with him and Speaker Boehner and everybody else who want to get this done, and get it done.

Q This concerns the CFPB's role with higher education, and it seems to be with regards to student loans. But Republicans have said -- Senate Republicans have complained in the past already that the agency sort of has too broad and too vague power. The fact that it's involved in college cost, does that speak to that at all?

MR. CORDRAY: I actually don't think there's anything broad or vague about our powers. These are very specific problems that regular families face across this country -- problems in the mortgage markets; problems with credit card debt; increasingly, as we've seen and discussed today, problems with student loan debt -- knowing what the prices and risks are before they make decisions so they can make better-informed decisions. And as Secretary Duncan said, those are decisions that will make the market work better.

Everybody who supports a free market should want consumers to be well informed, able to compare, able to make choices. That's what we're working for across all of these markets. And I think it's something that the American people support, and I think it's something that they deserve. And I think they

have a right to expect basic consumer protections on all of these products that are so important to their lives.

MR. CARNEY: Goyal. We'll take this last one for these gentlemen.

Q Thank you. Mr. Secretary, the Obama-Singh Knowledge Initiative was signed between the world's largest and richest democracies by President Obama and Prime Minister Dr. Singh. Now, high-level officials are meeting next week at the third annual U.S.-India Strategic Dialogue in Washington, D.C. Now, what role your agency will play as far as this Knowledge Initiative is concerned between the U.S. and India? And many universities are going to open in India, like the U.S. universities and colleges. So what is your role, sir?

SECRETARY DUNCAN: So we've had -- you and I have talked about it before. We have a great working relationship with my counterpart in India. He is a man, I think, of tremendous vision and courage. We have real challenges here. I think the challenges India faces dwarf -- make ours look relatively simple. But I think there's a chance to provide a much better education for hundreds and hundreds and thousands of young people in India.

And whatever we can do to help as they build the next system of community colleges, as they scale up what's working, as American institutions start to set up campuses in India, we want to be a great partner. I just absolutely believe that a rising tide lifts all boats. And the more young people across India are getting a world-class education, that's a great thing for your country and for ours as well.

Q And just, do you believe and do you feel so next week that there will be some major kind of initiative or you will be announcing something major? How many universities --

SECRETARY DUNCAN: I hope we can come back on that next week. It's premature now. Thank you.

MR. CARNEY: I want to thank Secretary Duncan and Director Cordray. I appreciate it. And I'll remain to take your questions. Let everybody get out the door while I survey the field, clear my throat and look to the Associated Press.

Q Can you confirm the death of al Qaeda number two, al-Libi in the U.S. drone strike in Pakistan, and comment please on what his assassination would

mean for the al Qaeda organization, your fight against it and, secondly, for U.S. relations with Pakistan?

MR. CARNEY: I can tell you that our intelligence community has intelligence that leads them to believe that al Qaeda's number-two leader, al-Libi, is dead. I can't get into details about how his death was brought about. But I can tell you that he served as al Qaeda's general manager, responsible for overseeing the group's day-to-day operations in the tribal areas of Pakistan, and he managed outreach to al Qaeda's regional affiliates.

His death is part of the degradation that has been taking place to core al Qaeda during the past several years. And that degradation has depleted the ranks to such an extent that there is now no clear successor to take on the breadth of his responsibilities, and that puts additional pressure on al Qaeda's post-bin Laden leader, Zawahiri, to try to manage the group in an effective way. This would be a major blow -- we believe al-Libi's death is a major blow to core al Qaeda, removing the number-two leader for the second time in less than a year and further damaging the group's morale and cohesion, and bringing it closer to its ultimate demise than ever before.

Q Just to follow on the Pakistan question -- if this was a U.S. drone strike it would be the second U.S. attack that killed a senior al Qaeda leader within Pakistan's borders in a very short period of time, and they didn't respond so well to the first one.

MR. CARNEY: What I can tell you is that our government has been able to confirm al-Libi's death. I don't have anything for you on the circumstances of his death or the location. I can simply say that he was the number-two leader in al Qaeda, and this is the second time in less than a year that the number-two leader of al Qaeda has been removed from the battlefield.

And that represents, in the wake of the death of Osama bin Laden, another serious blow to core al Qaeda in what is an ongoing effort to disrupt, dismantle and ultimately defeat a foe that brought great terror and death to the United States on September 11th, 2001, and that has perpetrated acts of terrorism against innocent civilians around the globe.

Q You said that his breadth of experience would be difficult to replace, but the organization has shown that it can get a warm body wherever it needs to and continually regenerate. What is it about him that makes him -- made him particularly valuable?

MR. CARNEY: Well, I think he was very much an operational leader, general manager, of al Qaeda with a range of experience that is hard to replicate. I think that it is a job that is hard to fill and that there may not be, given the duration of late that people have held that job, that there could be a lot of candidates hoping to fill.

So the point is that removing leaders like al-Libi from the very top of al Qaeda is part of an ongoing effort to disrupt and dismantle, and ultimately defeat al Qaeda. And that is an important piece of business.

Yes, Reuters.

Q Jay, with the crisis in Europe deepening by the day, can you talk about what the President has been doing behind the scenes in the last few days and what his conversations with European leaders have intended to send a message on?

MR. CARNEY: Throughout this crisis in the eurozone, the President has remained closely engaged with his European counterparts, as I have said in the past. And that has continued throughout recent days and weeks.

We believe that economic performance in Europe is of great importance to us here in the United States. The eurozone crisis creates a headwind for the global economy, and we are obviously connected to the global economy, so trouble in the eurozone presents a challenge to the American economy.

Europe is our -- is an important trading partner, and our financial systems, as you know, are deeply connected. As I've said in the past, European leaders have taken significant steps in implementing a firewall, establishing a firewall, and in various countries implementing reforms that are necessary. And we support those efforts.

More needs to be done, as we have said. And today, as you know, I believe, the G7 ministers and governors reviewed developments in the global economy and financial markets, and the policy response currently under consideration, including progress towards financial and fiscal union in Europe. They agreed to monitor developments closely, ahead of the G20 Summit in Los Cabos.

I can say that European leaders seem to be moving with a heightened sense of urgency, and we welcome that, and we're hoping to see accelerated European action over the next several weeks, including in the run-up to the aforementioned G20 leaders meeting in Mexico. A movement to strengthen

the European banking system will be of particular importance in this time period.

Q The President has tried to walk a fine line over the last several months between not appearing to lecture his European counterparts but also trying to prod them into action -- he's felt that strong action was needed. Is it time now to step up that message? Does he feel that he needs to underscore that even more strongly?

MR. CARNEY: The President and Secretary Geithner and others have shared the United States' experience with the kinds of challenges that the Europeans have been facing, whether it's the need to implement very strict stress tests on banks, the need to ensure that financial institutions are recapitalized. These are decisions that are sometimes difficult politically, but important for the long-term fiscal health of -- in the case of the decisions we made here, of the United States, and in the case of the decisions being made in Europe, of the countries of the eurozone and the region.

He has discussed, as you know, and he talked about at Camp David, he has discussed with European leaders the efforts that we have taken here in Washington to restart our economy, to reverse the extreme economic decline that was taking place here in 2008 and 2009, and to put the economy on a path towards economic growth and job creation. That focus on growth and job creation is very important in the near term. And as you saw coming out of the G8, there was a commitment by and a consensus from European leaders there to focus on growth and job creation.

There is much work to be done in Europe, and we -- this administration, the President, Secretary Geithner and others continue to advise and consult their European counterparts as they make some very important decisions.

Jake.

Q Did your intelligence sources provide information about whether or not there were any other people killed other than al-Libi?

MR. CARNEY: I don't have anything more for you except for the confirmation that they have that al-Libi is dead. Beyond that, I would refer you to other agencies.

Q It's not difficult to foresee a world in which the United States is not the only country with this kind of technology. Is the administration at all concerned

about the precedent being set in terms of secrecy, in terms of operating military craft in other sovereign nations, and what we might see as a result when China or Russia get their hands on drones?

MR. CARNEY: Again, I can't discuss methods from here, and I do not -- I won't discuss --

Q I wasn't asking you to.

MR. CARNEY: Well, this is in relation, obviously, to the particular incident that we've been discussing, and I can't get into details about al-Libi's death, the circumstances or the location.

I would simply say that this President is firmly committed to carrying out his policy objective in Afghanistan and in the Afghanistan-Pakistan region, which is to disrupt, dismantle and ultimately defeat al Qaeda. He is committed to disrupting, dismantling and ultimately defeating al Qaeda beyond that region, too. That's why we cooperate with countries around the world in efforts to counter al Qaeda and other extremists.

Q Not relating this question to the death of al-Libi -- the United States has this technology; President Obama has said that the administration should be more transparent about it. Is there not any concern that the administration has that there is precedent being set? We've just heard Assad this week blame the massacre that took place in Houla on terrorists. Any country can say that --

MR. CARNEY: And I heard a collective rolling of the eyes --

Q I'm not saying --

MR. CARNEY: -- or saw a collective rolling of the eyes around the globe because everyone knows how preposterous that assertion is.

Q That's my point. And countries claim terrorism as a justification for their actions all the time. Even positing that the United States, under any President, only acts righteously every time, is there not any concern that a precedent is being set either for some future dangerous President and for any other --

MR. CARNEY: Jake, without getting into very sensitive issues that go to the core of our national security interests, I can simply say that this President, this

Commander-in-Chief, puts a great deal of thought and care into the prosecution of and implementation of the policy decisions he makes, and that includes in the effort to combat al Qaeda in the Af-Pak region and around the world.

There is no question, as the President has stated on many occasions, that the decisions that a Commander-in-Chief has to make when it comes to war and peace, when it comes to defending the United States and protecting the United States and our allies are weighty serious decisions, and he treats them that way every time he makes one.

Q What gives the United States the moral foundation to object in the future to when Russia -- I'm sorry?

Q I'm just wondering how many questions -- I mean, maybe you should have like an interview with him somewhere.

Go ahead.

Q Do you mind if I continue?

Q Go right ahead.

Q I'm just wondering what the -- where the moral foundation comes from if the United States objects in the future to an action being taken by China or Russia along these same lines.

MR. CARNEY: Well, I reject the comparison, but I would simply say that, as I said just now, that this President, this administration takes very seriously the decisions that are involved in the effort to disrupt, dismantle and defeat al Qaeda. But this President is absolutely committed to that objective. As Commander-in-Chief, as President, protection of the United States, protection of American citizens, protection of our allies and our interests are a high priority -- the highest. And that will be the case as long as he's in office.

Kristen.

Q Jay, has the killing of al-Libi complicated efforts to press Pakistan to open its supply routes?

MR. CARNEY: Again, Kristen, as I think I just noted, I can only discuss the fact that we have confirmation of his death. I can't get into location or circumstances. And I would simply say that we have an important relationship

with Pakistan that we endeavor to work on every day because it is in our national security interest to do so.

Q To ask it in another way -- obviously this was a big topic of conversation during the NATO Summit -- has the administration made progress since NATO toward getting Pakistan to reopen the routes?

MR. CARNEY: I don't have an update for you on that. Both, obviously this administration and the government of Pakistan are committed to resolving that issue. We believe that it will be resolved, but I have no specific updates for you on that.

Q So are talks ongoing?

MR. CARNEY: Again, I don't have specific information about discussions on that issue. Obviously, we have regular contacts and consultations with the Pakistanis.

Move around a little bit. Yes.

Q Jay, as you know, yesterday was third-year anniversary of speech that the President gave in Cairo. In that speech he made some promises concerning Iraq, Iran, Afghanistan, the Middle East peace process, of course, about changing the American image in the Muslim world. Now three years later, do you think that the President has kept these promises? And how does this administration read or see his speech after bearing in mind the events of Arab Spring?

MR. CARNEY: I would say again without going through in detail the President's speech, that, yes, the President has kept the commitments that he made there. He's been, I think, very transparent and clear about what his objectives are, about what the interests of the United States are, who our foes are and who they are not.

He, as I think you've seen throughout the Arab Spring, has very carefully made clear the United States sides with the democratic desires and aspirations of the people of the region. And while each country is different, and the process by which each country engages in a democratic transformation has been and will be different, our commitment to that democratic future is strong and will continue to be so.

The President has also committed, as I've just been discussing with Jake, to making sure that our military operations in a place like Afghanistan have a very clear objective. When he took office in January of 2009, you could ask 10 members of the United States military -- or the previous administration what our objective in Afghanistan was and you would get 10 different answers because it was so unclear. And that was highly unacceptable to President Obama, and he made sure that he thoroughly reviewed the situation in Afghanistan, thoroughly reviewed our policy objectives, our resources, and put in place a policy with a very specific goal and the resources necessary to fulfill it. And I think that has contributed to a clarity about U.S. interests and U.S. objectives.

Ed.

Q Jay, on the economy, former President Clinton last night at one of the fundraisers said that if you look at history, an economic recovery takes five to 10 years, and if there was a housing collapse --

MR. CARNEY: After a financial crisis.

Q Yes. Did I not say that?

MR. CARNEY: You said an economic recovery.

Q Well, but after a --

MR. CARNEY: I think there's a distinction between the types of --

Q After a downturn, it takes five to 10 years.

MR. CARNEY: Well, again, I think it's more specific than just a downturn. Some shallow recessions take less time to recover from. When you suffer from a financial crisis that precipitates the worst recession since the Great Depression, the hole is quite deep. I think there are important distinctions to be made.

Q Okay. And another distinction he made was that when there's a housing collapse, as there was in this case, it usually takes longer and can take up to 10 years to turn it around. Does the President -- do you agree with that timetable?

MR. CARNEY: Well, I think that the President has made clear -- President Obama has made clear from the very beginning that we did not get into the

mess that was the Great Recession, the worst recession since the Great Depression, overnight. It took a number of years of flawed policy decisions, of an absence of appropriate oversight and regulation, of unfortunate risky behavior in our financial markets to precipitate the economic free fall that we all experienced in 2008 and 2009. And it will take a long time for us to get out of the hole that that created.

What he has also said is that working with Congress and other folks, he has presided over a situation where that severe economic decline was halted and reversed; a situation where almost 9 percent shrinkage in our GDP has now turned around to the point where we've seen two and a half years of economic growth, positive GDP; a situation where we were losing 750,000 jobs per month, to now a situation where even though growth in jobs has not been satisfying, has not been enough, it has created 4.3 million private sector jobs.

We have more work to do. There is no question. I think that's what President Clinton was speaking to and certainly what President Obama talks about all the time.

Q And so it may take up to 10 years? Do you agree with --

MR. CARNEY: Again, I'm not an economist, and I think we all believe that we need to do everything we can to bring about the day when the 8 million jobs that were lost as a result of that recession are recovered, and that we are in a situation where not only are we back to where we were before, but we are stronger economically. We have a foundation economically upon which to build in the 21st century that doesn't rely on financial bubbles or housing bubbles or .com bubbles, but relies on strength in our manufacturing sector, strength in education, strength in innovation and strength throughout the country economically.

Q Last thing. President Clinton also said, "Remember me, I'm the only guy that gave you four surplus budgets out of the eight I sent." Is it awkward for President Obama to hear President Clinton say that when he has not had surpluses?

MR. CARNEY: Ed, that is a profoundly interesting question that you would phrase -- (laughter.) The point that President Clinton was making, and I concede that he makes it well, but I will attempt on my own to make it, is that when he was in office, he inherited a deficit. After eight years in office, he presided over a number of years of surpluses and turned over to his successor

an economic circumstance, which was judged by the CBO and everyone else, to be one that would produce surpluses as “far as the eye could see.” Eight years later, when President Obama took office, handed the Oval Office by his predecessor, a Republican President, we had the largest deficits in history up to that time. Something happened in those eight years, and it was not fiscal responsibility. And that is unfortunate.

We had a situation in eight years where record surpluses were turned into record deficits. So claims by those who supported the policies that led to record deficits that they are the bastions of fiscal conservatism do not meet the laugh test. It’s just not borne out by the facts.

We need to work together. This is not about one side being better than the other, and I think that’s -- is it important to bring it back to this. What was a fact under President Clinton is that he had contentious relations with a Republican Congress, but in the end, he had Republicans in Congress who were willing to work with him to help bring about those surpluses -- albeit in economic times that were not nearly as strained as we’ve experienced in the last few years -- but still, it takes bipartisan cooperation. And unfortunately, we have not seen enough of that in the last several years.

But hope springs eternal and this President is committed to putting forward the kinds of proposals that address the weak spots in our economy. I mean, look at where we still have weaknesses in our economy -- in construction, in state and local employment, especially in education. These are areas where the President has put forward specific proposals that would boost employment and boost economic growth; the kinds of proposals that should, I think, earn bipartisan support.

The American Jobs Act, a portion of which was passed by this Congress -- the extension of the payroll tax cut and the extension of unemployment insurance -- had within it elements that Republicans in Congress refused to vote for, that outside economists said at the time would create more than a million jobs. So Republicans in Congress left a million jobs on the table, unfortunately, because they didn’t want to ask oil and gas companies to give up subsidies despite record profits. They didn’t want to ask others to give up tax breaks and loopholes that would have allowed for the funding of those initiatives that would have taken those million jobs off the table and put teachers back into the classroom and construction workers back on the job. The employment picture

would look a little different today had they chosen otherwise. And those proposals remain on the table and available for action.

Alexis.

Q Jay, you mentioned unemployment insurance. Can you just clarify, what is the President's message to the millions of people who have been unemployed for six months or longer about their worries that unemployment insurance will trigger off? Is the President going to fight to extend that?

MR. CARNEY: Look, the President fought very hard and faced quite remarkable resistance to extending unemployment insurance in December and again in February, I believe it was. The fact is we need to take a number of steps to strengthen the economy and create an environment where more jobs are being created by the economy. And that is what's needed right now.

I don't have anything specific for you on new proposals or along the lines that you suggest. But this is not calculus, it's just math. We know what we can do to improve the employment picture and improve the growth picture. We've been studying these issues quite a bit -- and you have, too -- for a number of months and years now. And action can and should be taken so that the American people feel that Washington is addressing their highest priority.

Q Can I follow up on that? If the President were, by some miracle, to succeed in getting some of these initiatives through, is he concerned that adding to the deficit would bring the debt ceiling closer, not push it farther out?

MR. CARNEY: You're aware that of course the American Jobs Act was paid for entirely. Again, there's -- but you have to make choices. And that was the debate we had and that's the debate we're continuing to have.

You're right. If you don't want to ask oil and gas companies to give up their subsidies, you don't want to ask corporate jet owners to give up their subsidies, if you don't want to ask the wealthiest Americans who have enjoyed a pretty good run in the past 10 years or so to pay a little bit more, then it's harder to pay for these initiatives that would put, in the case of the remaining elements of the American Jobs Act, more than a million people to work.

But that's what governing is all about. You got to make these choices. The President is clear about the choice he thinks ought to be made. Overwhelmingly, the American people tend to support those initiatives. And, hopefully, Congress will act. There's pressure on them, too, to demonstrate to

their constituents that they're not just sitting on their hands and hoping the economy doesn't get better because it will improve their prospects in November.

I mean, I don't think their constituents think that's generally a responsible approach. So, hopefully, there will be pressure on them to do something and to demonstrate they did something to help the economy.

Leslie, and then Norah.

Q Jay, could you just discuss the CBO report that was out today that has some pretty grim numbers? Republicans are seizing on it, suggesting that it's proof that the President is not taking the country on the right path. And what is he going to do with his negotiations later this year?

MR. CARNEY: Well, look, I think what the CBO report demonstrates is that we need to take sensible measures to deal with our medium- and long-term deficit and debt challenges.

Again, this is arithmetic, not calculus. We know what we have to do. There has been a great deal of ink spilled on the various options available to us. There is either an option that says dealing with our deficits and debt, the responsibility for that should be borne entirely almost by the middle class and seniors and folks who depend on programs like Medicaid, or it should be borne evenly in a balanced way, which is what the President believes. That approach has been endorsed not just by this administration, not just by Democrats in Congress, but by every bipartisan commission of any credibility that's looked at this issue.

The holdouts, thus far, have been elected members of the Republican Party in Congress -- not all of them, but most of them. Hopefully, that will change, too. There are occasionally glimmers of hope on the horizon with regards to recognition of the need to take a balanced approach to our deficit and debt challenges.

Look, this is a responsibility that everyone needs to take and to bear, dealing with our deficit and debt -- and going back to my answer to Ed's question about the fact that this President, in the midst of a cataclysmic economic decline, was also, in addition to the keys of the building, handed the largest deficit thus far in history. Plus, the need to take dramatic steps to prevent a depression,

dramatic steps that were seen almost across the board as including the need for a program like the Recovery Act.

So he also took steps like saving the automobile industry that was not popular at the time, but has gained more and more adherence in retrospect as every week passes, because it's been the right thing to do so obviously when we see the numbers coming out of Detroit. These are tough calls and tough decisions. And there's no question that they created a situation where we need to take action on our deficit and debt, and we need to do it in a balanced way.

Norah.

Q I'm going to return to the eurozone crisis affecting the U.S. economy. Does the President believe June is the month that European leaders have to get something done?

MR. CARNEY: I haven't heard him give a date or a month. I think, as I just said when discussing this earlier, we have noted that European leaders, European officials, seem to be acting with a sense of urgency. And we anticipate and hope that there will be expedited action in the weeks ahead, in the run-up to the G20. But I don't have a deadline to provide to you.

I think Europeans are fully aware of the situation that they find themselves in. And they understand that, I think, as you would expect, what the options are and what steps are available to them that would help stabilize the situation, stabilize the banking sector, and help them emerge from this crisis.

Q The Treasury Department said today that finance ministers from the G7 countries, along with the Central Bank, the President is having an emergency conference call. What's the emergency conference call about?

MR. CARNEY: Well, I mentioned that when I was answering questions on Europe, that today, the G7 ministers and governors did meet via teleconference and reviewed developments in the global economy and financial markets, and the policy response under consideration, including the progress towards financial and fiscal union in Europe.

I think there's no mystery to the fact that, as I have said, that there's a need to act with some urgency. Europeans have it very much within their capacity to

deal with this situation. And we have provided consistent advice and counsel based on our experience on how to deal with this, and we'll continue to do so.

Q How worried is the President about the crisis?

MR. CARNEY: I think he is very clear that he recognizes, as I said earlier, that Europe is a very important trading partner to the United States, and troubles in the European economies have an impact on the American economy. Because of that relationship, our financial systems are very integrated and trouble in the European financial sector can have an impact on the American economy. This is the headwind that the President has talked about in the past.

Now, that's why we need to take the steps that we can take, that we can control entirely here in Washington to insulate the American economy, to insulate the American people from these kinds of challenges posed by Europe and elsewhere.

Q And you mentioned he was closely engaged. If he was talking with other world leaders and Presidents, you would read out those calls, correct?

MR. CARNEY: Not necessarily. I think you might expect that he has conversations that we don't always tell you about. I'm not trying to be sly here. I would just say it certainly is the case and has been the case as long as I've been Press Secretary that the President has conversations that we don't read out to you either with American business leaders or members of Congress or foreign leaders or others. So we don't read out every conversation the President has.

Q Jay, what are your expectations for the upcoming "Friends of Syria" -- the next phase of that "Friends of Syria" process?

MR. CARNEY: It's part of a concerted effort to unify the international community around the notion that there needs to be a political transition in Syria to help the opposition in Syria to organize itself and to bring diplomatic pressure to bear on the Assad regime as well as pressure through sanctions and other means to help facilitate that transition.

And that includes -- and Secretary of State Clinton has been very clear about this as have others -- that includes working with other members of the United Nations Security Council, in particular Russia, on the need to take steps to bring about political transition in Syria, take steps to prevent Assad from continuing to brutally assault his own people -- because there is not a whole lot

of time available to the international community before that situation, at least potentially, devolves into a sectarian civil war, a situation that could spill beyond the Syrian borders and could involve other countries in the region.

And that obviously is profoundly not in the interest of the Syrian people, but it's not in the interest of countries of the region. It's not in the interest of any member of the United Nations Security Council. So that's why we need to work collectively to ensure that that does not transpire.

Q Are you ready to say this is the last such meeting before it devolves into that?

MR. CARNEY: No, I'm not going to draw any lines in the sand. I simply will make the point that there is a need to act urgently because the situation in Syria demands it.

Q Is the President monitoring the recall election in Wisconsin? And if Governor Walker isn't recalled, what do you think that says about the mood of the country?

MR. CARNEY: I'm sure the President -- I know the President is aware of the recall election. I think he's got some other responsibilities, so I don't -- I know that he's not following it minute by minute, but he's aware of it. You know that he tweeted about it earlier and stands with the Democratic candidate, Mayor Barrett, in this race.

I would simply say -- not speaking for him, because I haven't had this conversation with him -- but noting what others have noted in your profession and elsewhere, that a race where one side is outspending the other by a ratio of at least 8 to 1 probably won't tell us much about a future race.

Q And it looks like the highway bill conference is about to collapse. Is the President prepared to make calls, invite members of Congress in? Because obviously both Republicans and Democrats want to --

MR. CARNEY: Well, the President is prepared to make the case that we need to take action on the surface transportation bill, on investments in infrastructure, precisely because this is an area that has been identified, rightly, as a soft spot in our economy; an area where we can take steps to help improve economic growth and job creation, the construction industry.

So I don't have a specific action plan to read out to you. But it really is vital that Congress get its act together and pass some of these important pieces of legislation that have -- in the case of surface transportation and in the case of the aforementioned student loan rate legislation and a host of others -- have enjoyed bipartisan support in the past. And there is no reason why they should not enjoy that bipartisan support today and in the future.

Q So we can expect him to get personal --

MR. CARNEY: Again, I don't have an action plan to provide to you, but it is essential that Congress do its job.

Q Yesterday -- or last night, President Clinton said that the GOP and Mitt Romney had adopted Europe's policies. I was wondering if the President -- excuse me, President Obama agrees with that statement?

MR. CARNEY: Well, I haven't had that conversation with President Obama. I think others have made the observation that austerity alone is not -- at least not the right prescription for and was not the right prescription for our economy. We're not in a position and do not want to lecture other nations about the steps they should take. We can provide counsel and advice based on our experience.

And we are certainly not satisfied with the pace of the recovery thus far, the pace of job creation thus far. But there has been economic growth and there has been significant job creation -- 4.3 million jobs in the last 27 months here in the United States. And that is in no small measure. In fact, it is completely because of the initiatives that were taken to help stop the bleeding, in terms of the cataclysmic economic decline that greeted this President when he took office, and reverse it and to create a situation where the economy began to grow again, where employers began to hire again, and in some sectors of the economy like manufacturing and the auto industry, where the economy really began to rebound in significant ways. It has been uneven and it is far from complete, but it is a picture of a response to a financial and economic crisis that I think bears review.

Dave.

Q Yes, on the student loan issue, Secretary Duncan said just moments ago that he didn't want to negotiate from the lectern, but that if Republicans offered serious proposals, the White House would engage those serious proposals.

Just generally speaking, the Republicans have offered proposals. Does the White House believe they're serious? And if so, are you willing to engage?

MR. CARNEY: Again, I'm not going to negotiate the particulars here. I would note -- look, I share Secretary Duncan's optimism about the fact that this will be resolved. Despite the Speaker referring to it as a phony issue, we think there are signs that Republicans understand that it would be a terrible thing for the 7.4 million Americans who would be affected if these loan rates were allowed to double. And, therefore, they will take the necessary action. I'm not going to get into the nitty-gritty here of negotiating --

Q What's the next step for the White House involvement in this?

MR. CARNEY: Well, we'll continue to work with Congress and with the leaders on this issue to get it resolved. But I don't have specific elements of what that final outcome will look like for you.

Ari.

Q The White House has said for several years -- a few years, at least -- that the health care law cannot stand without the individual mandate. Is that still your position?

MR. CARNEY: Well, I would simply say that, obviously, the individual mandate is a hugely important component to the Affordable Care Act, because it is what allows for, in many ways, coverage of those with preexisting conditions and others who might otherwise not be able to get insurance were the mandate not in place.

So I think it is profoundly important, as it was, say, in Massachusetts and has been in its implementation in Massachusetts. I'm sure that's why Republicans in Massachusetts, and even at the Heritage Foundation, thought it was a good idea when they came up with it. But I'm not going to game out for you what -- I know where you're headed -- what a Supreme Court decision would look like if it were to come out this way or that way. The President believes, I believe, I think a lot of lawyers believe, who have studied the precedent here with regards to the Commerce Clause, that the Affordable Care Act is very much constitutional. But it's up to the Supreme Court to render its judgment.

Q But do you still believe that functionally, as a matter of policy, the law --

MR. CARNEY: I have no change in what my predecessor or others have said about that. But, again, the question is based on an assumption about a decision that the Supreme Court has not made.

Q Jay, earlier you said that the servicemembers who were in Afghanistan -- the conflict there is simpler because of the Obama administration. Do drone strikes make it less simple to the American people to understand, when these are secret and often done without really understanding --

MR. CARNEY: Again, you're trying to get me to talk about things that I can't talk about from the podium.

Q I'm asking you --

MR. CARNEY: But I will simply say that the American people very much support the idea that our efforts in Afghanistan, efforts that put the lives of American men and women in uniform at risk -- as well as the lives of our civilian personnel in Afghanistan at risk -- should be focused primarily on disrupting, dismantling and defeating al Qaeda. That is the policy objective that the President put into place and it's the right one. And it is the reason why we went to Afghanistan in the first place.

Q Do they support it if it's secret?

MR. CARNEY: Again, I think you're conflating a bunch of things here that I would love to tease them apart for you, and I'm happy to do that at another time. But I think the President's policy objective of defeating al Qaeda is one that does have the support of the American people.

Q One more, Jay. On the transit of Venus, is the President expecting to spend any time today looking at the transit of Venus? (Laughter.) He is a nerdy guy.

MR. EARNEST: It's cloudy.

MR. CARNEY: My colleague says it's clouding up out there. I wasn't even aware of it. I'm so focused on making sure I have the answers to your questions, I knew nothing about the transit of Venus.

Okay, last one. Thank you. That was it. Thanks, guys. My audience is leaving. (Laughter.)

END

3:42 P.M. EDT



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