

itics that better reflects our people is not only possible, but it couldn't be more important.

LBJ told a group of Governors who'd gathered just 3 days after we lost President Kennedy, "A government by checks and balances will work only when people are willing to cooperate and work together for the common good." I believe that. And I know that so many of you believe that as well.

So tonight I'd like to propose a toast to our Nation's Governors, to their loved ones that put up with them—[laughter]—and to all those willing to cooperate and work together for the common good.

[At this point, the President offered a toast.]

*Audience members.* Here, here.

*The President.* Here, here.

So I hope everybody has a wonderful evening. At this stage, I would like to invite the chairman of the National Governors Association, Governor Herbert, to come up and say a few words.

NOTE: The President spoke at 7:18 p.m. in the State Dining Room at the White House. In his remarks, he referred to Gov. Gary R. Herbert of Utah; and Gov. Terrence R. McAuliffe of Virginia.

## Remarks to the National Governors Association and a Question-and-Answer Session

February 22, 2016

*The President.* Thank you. Please have a seat, everybody. It is wonderful to see all of you. I hope you had just the right amount of fun last night and not too much fun. [Laughter] It's hard to believe that that was the final dinner Michelle and I get to host for you. Like me, some of you might be in the final year of your last term, working as hard as you can to get as much done as possible for the folks that you represent: fixing roads, educating our children, helping people retrain, appointing judges. The usual stuff. [Laughter]

*Audience member.* Indisputably qualified.

*The President.* Those of you who have been in office for a while have also witnessed all the progress that we have made together, and it has been a partnership: the millions of new jobs created; the millions of people newly covered with health insurance; the new energy projects that are popping up all across every State that's represented here.

I do want to comment, before I take questions, on the issue of security for the American people. Whatever the—our party, we all raise our hand and take an oath and assume the solemn responsibility to protect our citizens. And that is a mission that should unite us all as Americans. Today, we're focused on three threats in particular.

First and foremost is terrorism. The attacks in Garland, Texas, in Chattanooga, in San Bernardino were attacks in good and decent communities, but they were also attacks on our entire country. As Americans, we are united in support of the men and women in uniform from every State who lead the coalition we've built with the mission to destroy ISIL. We're working with other nations to prevent terrorists from entering the United States. We're unwavering in our efforts to prevent attacks here at home. And that's where the partnership with your States come in.

This is a shared mission. We have to stay vigilant. Across the country, we've got more than 100 joint terrorism task forces—Federal, State, local experts—working together to disrupt threats. And at the State level, your fusion cells are pushing information out to law enforcement. We've also need—we also need to make sure our extraordinary law enforcement professionals and first responders have the equipment and the resources that they need. And we've got to stay united as one American family, working with communities to help prevent loved ones from becoming radicalized and rejecting any politics that tries to divide the American people on the basis of faith.

So this is something that—this is a shared project. It's not something that we do together. And one of the genuine areas of progress that I've seen since I came into office—and it was started in the previous administration, and this is one of the findings of 9/11—was breaking down some of the silos between Federal, State and local law enforcement when it comes to countering terrorism. We've made progress on that, but that's where State and local partners are absolutely critical. This is not something that the Federal Government can do alone, particularly because many of the attacks may end up being lone-wolf attacks rather than those imported from the outside.

The attack in San Bernardino killed 14 of our fellow Americans. And here's a hard truth: We probably lost even more Americans than that to guns this weekend alone. On Saturday, another one of our communities was terrorized by gun violence. As many of you read, six people were gunned down in a rampage in Kalamazoo, Michigan. Before I joined all of you, I called the mayor, the sheriff, and the police chief there and told them that they would have whatever Federal support they needed in their investigation. Their local officials and first responders, by the way, did an outstanding job in apprehending the individual very quickly. But you got families who are shattered today.

Earlier this year, I took some steps that will make it harder for dangerous people, like this individual, to buy a gun. But clearly, we're going to need to do more if we're going to keep innocent Americans safe. And I've got to assume that all of you are just as tired as I am of seeing this stuff happen in your States. So that's an area where we also need to partner and think about what we can do in a common-sense way, in a bipartisan way, without some of the ideological rhetoric that so often surrounds that issue.

A second area of threats that we're focused on is cyber threats. The technology that connects us like never before also allows our adversaries to do us harm. Hackers and nations are—have targeted our military, our corporations, the Federal Government, and State governments. They're a threat to our national se-

curity, they're also a threat to our economic leadership. They're a threat to our critical infrastructure. They're a threat to the privacy and public safety of the American people.

This is a complex challenge, and we're not going to be able to meet it alone. We've made a lot of progress these past 7 years, including sharing more information with industry and with your States. But all of us are still vulnerable. So this is why earlier this month I launched the Cybersecurity National Action Plan and proposed significant funding to push our cybersecurity efforts in a more aggressive direction. We're going to start a major overhaul of Federal computer systems. I want to do more with your States, including sharing more information about threats, improving our joint response capabilities.

We have initiated a joint bipartisan Commission made up of one of my national security advisers—former national security advisers, Tom Donilon, but joined with the former CEO of IBM, so that they can work together to help provide us a sense of direction both at the Federal and State levels, as well as the private sector, in terms of how we move forward on this. We're going to want your input. And I think that we probably have some good ideas about where your vulnerabilities are in terms of your State databases and what you're doing there. So that's an area where I think we can profitably work together.

Finally, we all have to remain vigilant when it comes to the spread of disease. Since late last year, my administration has been focused on the threat of Zika. So far, while there's no evidence of Zika transmission from mosquitoes here in the continental United States, there are confirmed cases in Puerto Rico. And as leaders, it's important that we convey very basic facts, including the fact that Zika is not like Ebola. Ebola was primarily spread from human to human. Based on what we know right now, Zika spreads predominantly through the bite of a certain kind of mosquito that's limited to certain parts of the country. Symptoms are generally very mild. Most folks don't even realize that they have it. But as all of you have read, the possible connection between Zika, birth

defects, and other serious health problems means that we've got to take precautions, particularly with respect to women who are pregnant or are trying to get pregnant.

So we're going to be fighting this disease at every level, with every tool at our disposal. I've called at—I've called on Congress to approve about \$1.9 billion in emergency funding for our efforts at home and abroad, including research into better diagnostic tools, new vaccines, improved methods to—of mosquito control, and support for Puerto Rico and Territories where there are confirmed cases. And we're going to be launching an aggressive coordinated campaign with the NGA to stop Zika at the source and keep Americans healthy. I hope each of you join us, especially if you're in some of the southern States where the risk of transmission may be higher.

So fighting terrorism and gun violence, combating cyber attacks and cyber threats, guarding against the outbreak of disease—these are some areas where there shouldn't be any dispute. We've got to be working together to keep our country safe and strong. And I look forward to the partnership with the NGA and each and every one of you in all of these areas. I should point out that one of the things I'm proudest of over the course of the last 7 years is, is that the Federal coordination with State and local governments with respect to disaster response, I think, has been extraordinary. I'm really proud of the work that Craig Fugate in FEMA has done. And I think that that kind of model of partnership across many of these threats is exactly what's needed to give the American people the confidence that their government is on their side when they need it most. All right?

So with that, I'm going to take some questions. And I'm going start with your chairman, Governor Herbert.

You can use a microphone if you—here you go; you've got one here.

#### *Federal-State Communication*

*Governor Gary R. Herbert of Utah.* Well, thank you, Mr. President. We, again, are appreciative of your willingness to let us come

and talk with you and the Vice President about issues that are near and dear to us as Governors and near and dear to us as an association of the NGA.

I'm struck by the ability that we've had to have cordial relationships with your Cabinet, and I want to compliment your people there. In fact, one of them talked about the importance of communication and used the term "cooperative Federalism" as really a way for us to get things done better in a collaborative fashion between the States and the Federal Government.

I'll just mention one that comes to my mind, and that's working with your Department of Interior, Sally Jewell, the Secretary. During the Federal shutdown, we were able to work together, communicate and collaborate, and open up the five national parks in Utah to the benefit of the people of Utah and Americans, and people—really, world travelers overall. So again, an effort of communication and cooperation, which I think is a great success.

I do harken back to a failure, maybe an epic failure of lack of communication on a previous administration where a national monument was designated in Utah—larger than the State of Delaware, two and a half times larger than Rhode Island—

*Vice President Joe Biden.* That's not saying much. [Laughter]

*Gov. Herbert.* Still, still. The Vice President made a little thing of that.

*The President.* Where's Jack? [Laughter]

*Gov. Herbert.* Yes. At any rate, the problem was that Governor Mike Leavitt then found out about that designation by reading the Washington Post. That was the other side of the coin of not good communication. I expect all Governors have got successes, and probably where we could do better. And so my question to you, Mr. President, really is in the effort of the National Governors Association: What can we do as an NGA, as States, to communicate better with the Federal Government? And what can the Federal Government do better to communicate with the States so that we have this spirit of cooperation? And really, this should go post-us. We'll all ride off into the

sunset sometime, but it would be nice if we had some kind of institutional process to make sure that we work together in a collaborative fashion, communicate better, and have better outcomes on behalf of the American people.

*The President.* Good. Well, first of all, I think the NGA, generally, has been a terrific partner for us. I hope you feel the same way. My instructions to my Cabinet, to my Secretaries have always been that we have certain laws, statutes, mandates that we have to abide by. We have certain policies that we care deeply about. But my instructions to them have been, you check with the Governors and the localities that are being impacted, and if they have ideas about how to achieve the mission in a more flexible, sensible way, and we've got that flexibility, we should exercise it. And that's been my consistent message, and I think many of you have benefited from those kinds of interactions.

What I'd do is, Gary, throw the question back at you, not for today, but maybe one of the projects that we can do jointly together is sort of do an inventory of what's worked and what hasn't, institutionally, in terms of communication. Where have been—there are areas where Governors have been concerned that they haven't gotten the heads-up fast enough? Where are the areas where communications has been strong? And let's see if we can improve that communication.

But my overall impression has been, communication with the Cabinet Secretaries has been good. I think that our Intergovernmental Affairs Office has tried to be very active. There may be some additional things that we could do to improve that, and I'd be happy to hear ideas from your side about what could be done.

I will tell you that probably where there's the biggest gap in communications has to do with our interactions with Governors versus our interactions with your congressional delegations. That's where, oftentimes, things diverge. So we'll have a conversation with the Governors, and they'll identify a priority, we work out some approach to get something done, and then, it turns out that the congress-

sional delegations have an entirely different idea.

And the biggest example would be on transportation, for example, where Anthony Foxx probably traveled to every single one of your States, talked—and before that, Ray LaHood—talked about things that needed to get done, everybody was excited about getting them done, but we just couldn't get Congress to move.

And so one of the things that I think would be interesting as we explore better communications is how do we maybe create a triangle where we have some interaction with States—a State's Governors and its congressional delegation at the same time. Now, sometimes, that's difficult because they're of different parties, maybe different political agendas. Sometimes, though, there may be commonality, and it's just a matter of closing the loop so that congressional staff know what the Governor's staff is saying, know what our staff is saying.

*Vice President Biden.* Mr. President, why don't you just assign the Congress to them? [Laughter]

*The President.* Just assign the Congress to them generally?

*Vice President Biden.* Assign the Congress to the Governors. [Laughter]

*The President.* Well, they've got their own legislatures. I know that they enjoy those interactions tremendously. [Laughter]

Next, Terry McAuliffe. Where is Terry? Here he is.

#### *Trade/Trans-Pacific Partnership*

*Governor Terence R. McAuliffe of Virginia.* Thank you, Mr. President. Let me first—great night last night. Thank you on behalf of all the Governors. Chaka Khan. I've been listening to her for 40 years.

*The President.* That was Michelle, basically, that put that together. I tried to take credit last night, and nobody believed me. [Laughter] And rightly so.

*Gov. McAuliffe.* Let me just say that we just finished, Mr. President, 4 great days of the Governors Association with the great leadership of Gary. But we met—Gary and I met with your team, Jerry, about 6 weeks ago, and

Valerie—we laid out what we needed. Your administration gave us everything we needed. We had the secure briefing at the FBI. So let me just say this, this has been a great meeting. On behalf of all the Governors here, let's give a round of the applause to the administration and the great work that they do.

*The President.* Thank you.

*Gov. McAuliffe.* And thank you very much.

We're here from 50 States, different political parties. We all have different interests in our States, but one issue that brings a lot of us together is the issue of trade. It is a global economy that we have today. Many of us do international trade trips. I've done 13 in my first 2 years. I just got back from the Middle East and from Cuba. Ninety-five percent of the world's customers live outside of America. Eighty-one percent of the growth in the next 5 years will occur outside America. Trade is critical to grow our economies.

So, Mr. President, could you give us an update on the trade policy, where the legislation is? And most importantly, what can we do to help you push trade with the Congress? Thank you.

*The President.* Well, I appreciate the—I appreciate that question, Terry. And Governor Herbert and I were talking about this a little bit yesterday.

When I visited Utah, you told me how much of Utah's economy depends on exports and international trade. And that's true for so many of us. Now, maybe the way to answer this is to give sort of a broad overview of how I think the politics have shaped the narrative around trade, and then let me give you some of the facts and what's going on with TPP.

Over our lifetimes, and certainly accelerated over the last 25, 30 years, this has become a global economy and not a national economy. The global supply chain, distribution; the fact that a company can set up house anywhere where there's an Internet service; the fact that these big cargo containers can ship things more efficiently than ever before; the logistical hubs and speed with which they can move goods and services around the world—all of this has created a global marketplace.

The good news is that we are best positioned to take this—take advantage of this global marketplace than anybody else. We've got the best cards. We've got the best businesses. We've got the best technology, the best innovation. We've got the best workers. We are a free market, dynamic economy like nobody else.

The challenge is that there have been disruptions as a consequence of that global trade. There is no doubt about it. And in every one of your States, there have been times where somebody has been affected. And not all the trade deals in the past were designed just to look out for workers. There were times where it was good for consumers; it was good for the businesses that may have found lower wages. But it wasn't always good for those communities that had big plants—particularly in manufacturing—that got shipped overseas.

And that's made people suspicious about trade and understandably so. On the one hand, people benefit from low prices and low inflation. And the degree to which globalization has given people access to more products at lower prices than ever before, that's something that people maybe take for granted. But what they see very directly oftentimes around trade is, this plant closed; you used to be able to walk in, even without a college education, get a job. If you worked hard, you'd have a middle class life and benefits and health care and could take care of your family. And now those jobs have contracted.

So that's the prism through which a lot of folks have been looking at trade. And I understand and am sympathetic because I've seen this in my own home State of why people are suspicious. But if you look at what's happened over the last 7 years since I came into office, first of all, exports drove the early part of this recovery. That was true in every State and in almost every sector. If you're an agricultural State, the ag community was making out great for the vast majority of this administration because of exports.

The second thing that happened was, we actually rebuilt manufacturing and started bringing manufacturing jobs back here, because what folks started to figure out was, U.S.

workers have become so competitive and we remain such a significant marketplace, and our energy costs here are low, that it makes sense oftentimes to locate here even if you're paying a higher wage, because net-net, it's going to be more profitable. So we have created more manufacturing jobs than at any time since the 1990s, despite an open trade regime.

And it is because of my confidence in our ability to compete, and the fact that we have no choice but to compete, that we said, where's the next big market where folks are selling us goods but we're not able to sell them goods? And we looked to the Asia-Pacific region. That is the fastest growing, most dynamic, youngest population in the world, and where, invariably, economic activity is going to be driving much of the world economy for decades to come.

And our concern there was that China was the 800-pound gorilla, and if we allowed them to set trade rules out there, American businesses and American workers were going to be cut out. And if we got in there and we set the terms of trade—making sure that there were high labor standards, making sure that there were higher environmental standards, making sure that intellectual property was protected, making sure that the things that we do well were protected, and that those countries that are selling to us right now, but are keeping our goods out lowered those barriers—if we did all those things, then it would be an improvement for American businesses and American workers, and we would know that we would be able to compete in those areas for years to come.

So we got TPP done. Mr. Michael Froman is here. He can—if he hasn't already, he will brief you on every paragraph—[laughter]—every comma, every "t" that's crossed and "i" that's dotted on the agreement.

But the bottom line is this: It is, I believe, indisputable that once we have TPP in place, we—American companies, American workers—will be better off than the existing trade regime that we have right now. I mean, I'll just give you a very simple example. Right now there are 18,000 tariffs—taxes, essentially—on American goods and services that would all be eliminated. So if you're—you've got a rancher

in Colorado, they can sell beef to Japan in ways that they cannot do right now, and that is a huge market for them. If you are interested in selling cars in Southeast Asia, right now, oftentimes, they're going to slap a 70-percent tax on the value of the car, which means you're not competitive. We're going to bring those down.

Nobody has described for me—none of the critics of this trade regime—trade deal have described for me how we're better off with the current status quo, where those folks are all keeping tariffs high, than we would be with TPP. What they argue against is old trade deals. And I keep on explaining to them, look, I can't do anything about what may have happened 40, 30 years ago, but I can do something about what's going on right now.

And by the way, because Mexico and Canada are signatories to this deal, it actually does strengthen labor and environmental protections within NAFTA, which previously had been one of the main complaints of critics.

Now, having said all that, the emotions around trade are still strong. Labor unions—and I am a big labor guy—they're not happy with me on this. They disagree with me because they have memories of this weakening the manufacturing base in America. And no matter how much I indicate that the facts show this will improve the position of American workers and we will slowly raise labor standards overseas as a consequence, they are going to—they're adamant in their opposition, which means that we have—in order to get this passed through Congress—have to depend on a set of strong, protrade Democrats who recognize the importance of trade to their economies and their membership, their constituencies, and Republicans who historically, at least, have been in favor of the free market and in favor of trade.

I am cautiously optimistic that we can still get it done. Leader McConnell and Speaker Ryan both have been supportive of this trade deal. They've had some concerns along the margins of the trade deal. I'll just give you one example. With respect to tobacco, we said very explicitly in this trade deal that any country that regulates tobacco is not somehow violating

trade agreements as long as it's done fairly, as long as they're not discriminating against American tobacco companies versus their own or those of other countries, but as a public health matter, they can regulate tobacco. That raises some sensitivities in Kentucky.

So there are those kinds of issues. But overall, they have been supportive. The Presidential campaigns have created some noise within and roiled things a little bit within the Republican Party as well as the Democratic Party around this issue. I think we should just have a good, solid, healthy debate about it. We're going to sign to enter this agreement, present it formally with some sort of implementation documents to Congress at some point this year. And my hope is, is that we can get votes.

What Congress can do—or what all of you can do to help is to talk to your congressional delegations and let them know this is really important. It is inconceivable if, for example, you are in California, that you don't want a Trans-Pacific Partnership that ensures the gateway for commerce in the Pacific is open to California businesses and workers for decades to come. It's inconceivable that you'd be opposed to that. I mean, we've got longshoremen in California who are opposed to that. I said, who—where do you think your jobs come from? It's from moving stuff off those containers onto trucks and rail to fan out all across the country. This creates jobs for you.

But that gives you some sense of some of the emotions that I think are sometimes blocking this up. All of you, though, can really lift up the benefits for your States and talk to your congressional delegations directly. Talk to your businesses, by the way, because they'll tell you how important this is to them.

All right. Who else we've got? Yes, go ahead.

*Climate Change/Energy Research and Development*

*Governor Matthew H. Mead of Wyoming.* Mr. President, Matt Mead from Wyoming. A great celebration that's going on this year is the 100th anniversary of the National Park Service. And as the State with the first national park, we're very proud. This is a great opportunity

for the country to celebrate parks and what they bring not only to our Nation, but to our world.

*The President.* You've got some pretty nice ones.

*Gov. Mead.* Well, you could even say the best, if you really wanted to. [*Laughter*]

*The President.* I wasn't going to go there, but I—they're really nice, I've got to note.

*Gov. Mead.* Just interested in accuracy, Mr. President. [*Laughter*] But anyway, Mr. President, thank you for last night. We all enjoyed that.

So I'm chair of the natural resources committee for the National Governors Association. And we had a good meeting this week. There was discussion. And certainly, we don't all agree as Governors in terms of, sort of, a national energy policy and where we should go.

As you know, we are a big mineral State in Wyoming. And there's other mineral States here as well. And I know you've addressed climate change, and we may have different points of view on that. But it does seem, from my perspective, that if the concern is fossil fuels, we have to continue to invest in R&D to say, listen, it's real. I mean, coal produces 40 percent electricity in this country. If it's—if that's the concern, let's work to clean it up.

We appreciate the work of the Secretary of Energy in doing that. We now see, though, a 5-percent reduction in R&D in terms of where that may go. And at least from our standpoint, we're investing in R&D in our State on how to make improvements in coal and other energy resources. And so I think from the National Governors' perspective, is there—what is the long-term view in how we make things better where we have areas of concerns?

Thank you, Mr. President.

*The President.* Sure. Well, I appreciate the constructive conversations that have taken place between the NGA and the energy-producing States.

Number one, climate change is real. The science is clear. We can debate how we approach the problem, but we can't debate the science. I just have to be very clear about that. At least, the analogy that I've used is, is that if

you went to a doctor and he said, you've got a disease, and you said, you wanted a second opinion—the second doctor said you had the disease, you went to 100 doctors and 99 of them said you had the disease, at a certain point, you'd say, I've got to do something about this.

And that essentially is the situation with respect to climate change. Ninety-nine percent of scientists are saying this is a really serious problem. Not a “sort of,” “kind of,” “maybe off in the distant future” problem. This is a problem that is going to get worse in the lifetime of our children and our grandchildren. And there is such a thing as being too late on this. Because if you start getting into a feedback loop where fundamental weather patterns and ocean temperatures are changing, we can't reverse it. And the effects will be profound. So that's point number one.

Point number two is, in order to grow the economy, we've got to have energy. And economic growth remains a top priority for Democrats and Republicans alike and every Governor and every President; whoever takes my place, they're going to want to grow the economy. And by the way, that's true internationally. In fact, there are countries like India where it's even more desperate. They don't have electricity. They've got to produce electricity in order to develop. And if we aren't giving them options, if the only message we have for them is, stay poor, we're not going to solve the problem. So this is not an either-or issue. We've got to grow the economy, which means we've got to produce energy. And we've got to deal with climate change.

The good news is that technology and research and development are accelerating rapidly. And because of the Paris Agreement that we've struck, you are going to see more investment from the private sector—not just from governmental sectors—and that is going to accelerate progress even more.

You take an example like solar. When I came into office, we set goals that we thought were really ambitious. And the amount of solar energy that is being produced now and the unit costs dropping faster than any of us imagined

means that we could be on a path where a huge portion of our energy needs can readily be provided through renewable energy, clean energy, much faster than any of us would have anticipated even a few years earlier.

Now, with respect to those States that continue to have a significant traditional fossil fuel-extractive set of industries, number one, we have not discouraged, we've encouraged production. Throughout my Presidency, oil and gas production have gone up significantly. We have put ourselves in a position, because of new technologies, to produce more than ever before, and that's changed the geopolitical landscape. We have—Sally Jewell, I think, has been, and prior to her, Ken Salazar, have tried to be very flexible in thinking about how do we continue to meet our energy needs. We haven't shut down energy production outside of very sensitive areas that are of significant concern.

The main shift that's taken place is, because U.S. production has been so high, prices have plummeted, and that's changed the equation for private sector companies. That's a global price issue. And the second thing that's changed, frankly, is natural gas started supplanting coal because it became so cheap, and that hurt coal industries.

Now, having said that, I continue to believe that there are areas of research and development that have to be done because we are going to continue to use fossil fuels for our lifetime. Those aren't going to immediately go away. And certainly, they will be used in other countries. And if we can figure out how to make those cleaner, that helps all of us. I want India and China to know how to use clean coal because they're going to be building coal plants anyway. And I—if we've got technology that can help make sure that it's not emitting huge amount of carbon, all the better.

So, historically, since I've come into office, we have invested in technologies to capture carbon from coal-fired plants. The technologies are there; the problem is that they're just really expensive right now. And so given relative prices to natural gas and other options, they haven't been deployed. We are going to

continue to invest in trying to bring those costs down. But frankly, in this marketplace, it may be a while before it is economical for anybody to imagine wanting to use that. Ironically, what would actually accelerate clean coal technology—so-called clean coal technology—would be the work that we did in Paris to restrict the amount of carbon that's being produced. That means that it starts becoming more expensive to generate carbon, and there's greater incentive then to—for private sector dollars, as well as public money, to go into research and how do we capture coal.

Similarly, when it comes to oil and gas, a lot of methane is generated from the extraction of oil and gas. And we want to invest in research that helps us figure out how to reduce the methane that also causes climate change. So my goal is to increase overall research and development dollars in energy—in the energy sector. We underinvest as a nation relative to, for example, our expenditures on health care research. I'm all for that. We've got our cancer moonshot, and we're significantly increasing our investment in medical research. But we should be doing the exact same thing on energy.

How it's allocated is something that probably I'll make sure that Ernie meets with your Governors to talk about. But I want to be honest with you: If those States with extractive industries are not currently preparing for the fact that the energy mix is going to continue to change over time, you're probably doing a disservice to your constituencies. And what we should be doing at the Federal Government level is helping maximize your production, minimizing your pollution, but also preparing you for the fact that 20, 30 years from now, there's going to be a higher mix of clean energy and a lower mix of traditional fossil fuels. That is almost inevitable. Even if there is somebody in this seat—in this White House who disagrees with me on all this stuff, it's still going to happen, just because of the trend lines internationally. And we should prepare ourselves for that. All right?

Yes, Mark.

### *Trade/China*

*Governor Mark B. Dayton of Minnesota.* Mr. President, I had the chance to speak with you before about the—I appreciated the chance to speak with you before about the impact of China's dumping on Minnesota's iron ore. And thank you again for sending your Chief of Staff up to meet there. As I've talked with other Governors here this weekend, the impact of China's exports and dumping have been affecting a lot of other industries too. And I'm wondering if it's—given your emphasis on free trade—and you're right about that—if there's also a way that you can be more aggressive about preventing China from doing what it's doing.

*The President.* Good. Well, first of all, the good news is, we've been more aggressive than previous administrations when it comes to bringing enforcement actions. And this is an area where even the steelworkers, as much as they may object to TPP, would acknowledge we've done a lot on this front. The other piece of good news is that we actually had a companion bill to our trade promotion authority that just passed the House and the Senate, and that I'm getting prepared to sign, that will give us additional tools for enforcement—more resources, more personnel—allows us to take more aggressive actions.

So you're going to see firm, tough enforcement of our existing trade laws. What is important is that we don't get confused by thinking that we should close off trade as an enforcement tool, because that is not possible. What is possible is making sure that everybody is playing on a level playing field and that people are operating fairly. And frankly, I don't think it's any secret that China in the past has not always operated fairly. They are now in a process where they're trying to transition their economic model. They recognize that they can't forever sustain an export-driven growth model. But it's going to take some time, and it's tempting for them to solve short-term problems by just dumping a bunch of state-subsidized goods into the U.S. market. And we've been very clear with them about the fact that that's

not going to work. We're going to put in place tools to make sure it doesn't work.

This is similar to the issue of currency manipulation. In the past, there has been currency manipulation by the Chinese. Right now, frankly, there are interventions to prop up their currency rather than to devalue it, because a lot of people have been nervous about the Chinese economy. But we've said to them, you've got to have an orderly, market-based currency system that's not designed to advantage your companies over ours. And we are consistently pushing them very hard. And that, and we've got some new tools to make progress on that, thanks to the bill that was just passed.

Yes. Governor Hogan.

### *Regulatory Reform*

*Governor Lawrence J. Hogan, Jr., of Maryland.* Thank you, Mr. President. First of all, as your next-door neighbor in Maryland, thank you again for the hospitality.

*The President.* Absolutely.

*Gov. Hogan.* And on a personal note, I want to thank you for the—you personally reaching out when I was going through my cancer battle. It meant an awful lot to me.

I'm the chairman of the Economic Development and Commerce Committee for the NGA, and we had a terrific meeting on Saturday. I, unfortunately, was not in attendance because we had a funeral for one of our fallen law enforcement officers that was killed in the line of duty. But Governor Tomblin, from West Virginia, did a terrific job running the meeting; he's the vice chair. There was a lot of terrific discussions that came out of that. A lot of agreement between the Governors, a lot of bipartisan cooperation, and people focused on a number of important issues. One of them was regulatory reform, something that we're doing in Maryland and finding a lot of bipartisan support on. I think there are Democratic and Republican Governors who believe that this is important to help us grow businesses and grow jobs.

*The President.* Right.

*Gov. Hogan.* And I believe it's something that you feel is important. And I remember last

year when we had our meeting, you talked about that as well. So my question for you is, would you be willing to commit to have the administration work with the RGA, with a task force, on taking a look at this regulatory review at the Federal, State, and local level?

*The President.* Absolutely. Although, I think you said RGA and I'm assuming you meant NGA. [*Laughter*] But I'll work—

*Gov. Hogan.* Whoa, whoa, whoa. I was talking about bipartisanship, and then said RGA. That was a dumb mistake. It was the NGA. [*Laughter*]

*The President.* I was about to say, you just cut out your Democratic brethren here. [*Laughter*]

But no, just a quick word about regulation, and this, I think, reiterates something that I've said in the past. There are some regulations we have put forward that some of you don't like. More commonly, there are regulations that we are obliged to enforce. They didn't just pop out of our heads, but we have to enforce them, and you don't like them.

There are some regulations I don't like that I think are hugely inefficient or were well intended, but proved not to work well. Or just the economy has changed. I mean, my favorite example was, there were a bunch of rules around rail, right? Or trucks, where they didn't account for the fact that there's GPS now. And so what I have done is assigned my Cabinet and the Office of Management and Budget, OMB, to work vigorously, not only to scrub new regulations we may be proposing, but to look back and see what are the old ones on the books that don't make sense anymore.

The good news is, we've made some progress. We don't get a lot of credit for that because it's sort of the dog that doesn't bark. If we get rid of wasteful regulations, we don't get a lot of applause for it. But we have eliminated tons of paperwork. We have eliminated tons of forms that have to be filled out. We have streamlined a whole lot of processes. And we're interested in doing more.

And this is an area during the next year where we've got room to do more because we don't need Congress on a lot of this stuff to do it. So I am very much in favor of the NGA—give us a list of those regulatory actions or con-

straints that you find most troublesome, most illogical, most frustrating. And I can't guarantee you that we will be able to eliminate all those regulations. Some of them may be statutory, and we've got no choice, even though we agree with you. Some of them we may just not agree with you. I mean, there are going to be some environmental regulations where some Governors think this is inconvenient, it's impeding development. And we're going to say, well, this is protecting children's health, for example.

And so there are going to be some areas of disagreement. My suspicion is, there are going to be some areas where we really welcome your advice. And we'll do everything we can to see if we can strike some of these ineffective regulations off the books before we get out of here.

So I'm very eager to work on you on this. And by the way, if any of you doubt my claim that we have actually eliminated a whole bunch of regulations, we can give you a whole manual. Shaun Donovan knows because I've charged him with this. And prior to that, Mr. Froman and others and Sylvia, before she was she was HHS Secretary, they've all been working on this. They know how important I think this is.

I do not believe in regulation for regulation's sake, contrary to rumor. I—this idea that somehow I get a kick out of big government, it's just not the case. The truth of the matter is, if something is working without us being involved, we've got more than enough to do without getting involved in it. We really do. It's not like I'm waking up every morning thinking, how can I add more work for me. [Laughter] I don't think that way.

So if there's something that we can stop doing or do smarter, do better, we're happy to do it. But a lot of times, when folks say this is a bad regulation that's burdening government and not helping anybody, they're just looking at one side of the equation. And when you actually subject it to the cost-benefit analysis, it turns out that it's saving a lot of lives, it's keeping a lot of people out of the hospital, it's making a big difference.

I should mention, by the way, when I was coming up back in the eighties, when I was a law student, cost-benefit analysis was considered a really radical, conservative idea. And this administration has been more vigorous in applying cost-benefit analysis than any prior administration, including the one that just preceded me. I mean, we have been very stringent and very tight, and our numbers all check out when it comes to the costs and the benefits that we apply to these tests. Even on some of the big regulations you hear about that you don't like, they're not passed—they're not issued unless we think that the benefits substantially outweigh the costs. And we can—we have the numbers to prove it.

So for those of you who think that I'm just a big government, crazy liberal—[laughter]—we're actually—we crunch some numbers around here. We take it very seriously.

Yes, Peter.

#### *Drug Abuse Treatment and Prevention Efforts*

*Governor Peter E. Shumlin of Vermont.* Mr. President, thank you. I'm always amazed to be in these sessions where you spend so much time with us, and your next answer is even more brilliant than the last. So thank you so much for being such a great President.

*The President.* He's a Democrat, as you can tell. [Laughter]

*Gov. Shumlin.* You can't get over it. A Republican just said that to me. [Laughter]

*The President.* Yes, yes, yes.

*Gov. Shumlin.* We spoke on Friday a little about the opiate crisis. I want to give you both an update and ask you a question. I think that we are probably united in making real progress across America—Governors, Congress folks, certainly you and your administration—in helping us to fight this battle. And as someone who was on the front lines of this pretty early, I think, much like your frustration with the gun challenges, where you're constantly consoling moms and dads and parents, we had at our health and welfare committee, which is chaired by Governor Baker and Governor Hassan, we heard from another mom who lost her son. There was someone there who told me that

they had, in their State, one of our Governors had a family lose their son and their daughter.

So I think what we're all trying to do—and frankly, Director of the FBI, Loretta Lynch is a huge partner with us in this—is do criminal justice reform, start treating this as a disease and not a crime, get treatment built out as fast as we can, and get Narcan out as fast as we can so we stop losing lives unnecessarily. Those are the three things I think that we all are doing in some way.

I mentioned on Friday if—one of my challenges—and I think other Governors are finding this—is as you build out treatment, and particularly in rural America, we can't get enough docs who are able to meet the demand of our waiting lists. So if we can get physician assistants, nurse practitioners to be able to prescribe the recovery drugs, we'd all be better off. I mean, as you probably know, they can now pass this stuff out. They can prescribe Oxycontin, but we don't let them prescribe the stuff that gets you off the Oxycontin.

But the most important one—and I just want to give you an update—our committee voted unanimously to adopt protocols on prescribing practices for Oxycontin and other painkillers. And I'm just curious—we can do that as Governors. It takes time. It's not—it doesn't apply to all 50 States. When you look at the numbers on this stuff, it's just staggering.

Now, I know you know this, but in 2010, we prescribed enough Oxycontin to keep every adult in America high for a month. In 2012, we prescribed enough Oxycontin to give—250 million doses—to give every adult American their own personal bottle. And I guess I'm asking you if, by rule or with putting pressure on FDA, you might consider a national approach, which simply says, for minor procedures, we're going to limit this to 10 pills, and after that, you've got to come back for more. Because there is a direct correlation between the lives we're losing—the kids are the biggest victims of this. I've got my Agency of Human Services struggling to come up with enough foster kids as we put more and more kids into custody because their parents do horrid, horrid things to

them when they're under the influence of this stuff.

It is such an epidemic. And if this was—we're losing 130 people a day. If this was—imagine that we were losing 130 people a day in America to terrorism. I mean, we've got to come up with a more rational approach to prescribing prescription drugs. The—to be candid, the docs, the AMA are resistant to listening to politicians like us talking about how many pills to prescribe. But is there something you could do on a national level that would help us get out of this tragic mess?

*The President.* Okay. Well, first of all, I appreciate the work that Governor Baker and Governor Hassan and you and others are doing on this.

As all of you know, I went down to West Virginia and had an entire hearing on this. And the stories you hear are heartbreaking. And what was striking was the number of high-ranking elected officials in the State whose own families had been affected directly by this.

And so the good news is that there is strong bipartisan support to address this issue. I would be remiss if I didn't also say the good news is that the broader society is recognizing the importance of taking a public health approach, as well as a criminalization approach when it comes to drug addiction and abuse generally. Because I think when it was isolated to certain low-income communities or minority communities, the tendency was, jail was a sufficient deterrent or approach. And as it has affected a broader and broader cross-section of America, people start realizing this is a complicated problem. There has to be a law enforcement element, but there also has to be a public health element to it.

I want to thank—Sylvia Burwell has been at the front lines of this at HHS; also, by the way, a native West Virginian, so she's seen her own community affected by this.

Loretta Lynch has been hugely active in thinking about how does the criminal element of this fit with the public health process. I want to recognize Tom Vilsack as well though—one of your own as a former Governor—who has been outstanding in chairing our Rural Coun-

cil. And just 2 weeks ago, we convened—Tom convened a meeting in which we said, how do we get all hands on deck, all the agencies to focus on this in a comprehensive way? And my hope is, is that they've started to share with you and your committee what it is that we're looking at.

I think there is going to be a lot of overlap. I—my suspicion is, we're going to be seeing the same things. A couple of points I just want to make very quickly. Number one, the most striking statistic that I—that came out of that meeting, and I wasn't in the entire meeting, was that in 85 percent of rural counties in America, there is insufficient or none—or no drug treatment or mental health treatment available.

So part of what's happening here—and we talked about this at an earlier meeting, Peter—you've got somebody who works on a farm, gets injured, they don't even have a doctor close by. It takes them 2 hours to drive. And finally, the pain gets so bad, they head out there, they get to the doctor. They don't necessarily have health insurance, although they should at this point depending on what State they're living in. Just a small comment on the Affordable Care Act and Medicaid expansion. [*Laughter*]

But if they don't have health insurance, they drive out and the doc says, well, you know what, you need an operation. You need rotator cuff surgery. You need this; you need that. Doc, I can't afford that. Can you just give me something to kill the pain? And they get a bottle, they drive off, they get hooked on it. And then, it turns out that it's a lot cheaper to refill the prescription with heroin on the street than it is to try to manage getting more of these pills. And then, folks are off to the races.

And what we've seen is, is that those who are marketing heroin are now tracking where the—which communities are most vulnerable. So what we have to do, I think, is to make a big push for additional treatment and mental health services in rural communities generally; make a big push for public health and prevention in communities generally and then have a very specific approach to working with the docs, the hospitals, the providers so that they

are not overprescribing. And that can be done at a national level. But it is most profitably done, I think, if we have bipartisan support from the Governors so that by the time it gets to the national level, there is consensus, and there's not a lot of politics involved in it.

But I guess my point—the reason I raise the general issues of public health is that if we go to the doctors right now and say, “Don't overprescribe,” without providing some mechanisms for people in these communities to deal with the pain that they have or the issues that they have, then we're not going to solve the problem. Because the pain is real. The mental illness is real. The—in some cases, addiction is already there. In some cases, these are underserved communities when it comes to the number of doctors and nurses and practitioners.

I agree with you, by the way, that we should be pushing the doctors; this is true for our health care system generally. Advanced practice nurses and physician's assistants can do more than they currently are allowed to do. And that could save the whole system money, but it could also prevent some of the overprescribing that is currently taking place.

But we're looking at a comprehensive approach. What I'd suggest—Cynthia, have you guys already met with the Governors' task force on this to—

*Secretary of Health and Human Services Sylvia Mathews Burwell.* We didn't this time, but we'll follow up directly—[*inaudible*].

*The President.* Good. Yes. But we're all over this. And I—we appreciate your interest.

This is an area where I can get agreement from Bernie Sanders and Mitch McConnell. That doesn't happen that often—[*laughter*]—but this is one. And it indicates the severity of the issue. All right.

Yes.

#### *Federal Deficit and Debt/Patient Protection and Affordable Care Act*

*Governor Matthew G. Bevin of Kentucky.* As a non-Democrat, I can't be quite as gratuitous, but I do appreciate the graciousness, the generosity of your time, Mr. President.

*The President.* Thank you.

*Gov. Bevin.* Quick question. Something that effects each of us as Governors individually is debt. It's crippling to some of us, less so to others. Curious as to your thoughts on the debt of this Nation and the lack of any political discourse on either side of the aisle in any of the debates on this issue, and what in the next 10 months your administration can do to draw attention to this, to address it, to change—start to change the course of direction that is currently underway.

*The President.* Good. Well, we're going to be releasing a budget, so that will be a significant topic of conversation. Maybe I'll just break it out into its component parts.

Obviously, the Federal Government—unlike State governments—does not have in the Constitution that at the end of each year it has to balance its budget. I know that there are those in this room who would probably be for the Federal Government having a balanced budget amendment. I would not be one of those, because in modern economic history what is clear is that there has to be some flexibility for the Federal Government, the sovereign Nation, to issue debt in order to deal with recession, national emergencies, and so on.

What is also true is the way that the Federal Government keeps the books is different than an ordinary business. A lot of times people will use a family or a business as an example. But just to take one instance, the Federal Government doesn't have a separate accounting for capital expenditures, which would then depreciate. And so you'd have a whole other way of doing bookkeeping.

[At this point, a cell phone rang.]

*The President.* There you go. That happens to me all the time. [Laughter]

So the analogy is not exactly the same as the Federal Government versus State governments or businesses or families.

Now, having said that, the good news is that since I came into office, we've reduced the deficit by two-thirds. That is a combination of the recovery, which brought in more tax revenue; raising taxes on the top 2 percent, which

everybody claimed was going to be a jobs killer, but we've now had 14 million jobs created or more, essentially, over the last 6 years; and we've made some cuts in spending. And all of that has led to a two-thirds reduction. And that, our budget will reflect, we will sustain more or less in the out-years over the next decade.

The real problem that we have when it comes to debt is very simple. It is that our population is getting older, and we use a lot of health care. And health care, we spend more for less, frankly, than most other advanced nations, partly because we do a lot of emergency room care. Some of it is because we overprescribe, we overtest. Some of it is, we drive innovation and technology and people always want the best stuff. But that costs money. Some of it is because the accident of how our health care system evolved means that we've got private sector involvement, and they've got to make a profit, and they've got overhead, and so forth.

So there are a whole bunch of reasons, but essentially, we spend about 6- to 8-percent more than our wealthy-nation counterparts per capita on health care. That delta, that difference, is our debt. And that is the reason why, since I came into office, I was interested in reforming health care. It was not just the compassion I felt for people personally being impacted, getting sick and losing their home, or not being able to get care for their kids, or having to go to the emergency room because of routine issues that should have been dealt with by a primary care physician. It also had to do with the fact that this system is hugely inefficient, and if we don't make it more efficient, then we're not going to solve our debt problem.

So what you'll see reflected, I think, in the budget that I present is, we have stabilized what we're adding to it each year in terms of discretionary spending, taxes, revenue, income, and—but what we're going to have to tackle long term is health care spending. And if we don't do that, then—we can cut food stamps, and we can cut WIC programs, and we can cut education programs, and you can cut

out Head Start, you can cut out every single discretionary program that Democrats support and a lot of Governors—Republican Governors support, but sometimes, Members of Congress say are a waste or big government or what have you. You can get rid of all that discretionary spending. It won't matter. Because the big-ticket item is Medicare, Medicaid. And in the private sector, the big-ticket item, that's where the inflation is, is on the health care side.

So my hope is, is that we get into a serious conversation. Maybe it will have to happen once I'm gone, because the Affordable Care Act and the debate around health care has gotten so politicized, so toxic that we can't have a sensible conversation about it, despite the fact that I implemented a measure that was passed by a Republican Governor. But that's a whole other question. It used—and we've embraced cost-saving measures that used to be championed by Republicans, and then suddenly, now this is some Obama scheme or plot. But maybe once I'm gone, we can go back to have a sensible conversation between Democrats and Republicans about how we should incentivize greater efficiency, better outcomes, higher quality for lower cost in our health care system. And if we do that, that's going to make the biggest difference.

The single biggest thing that we were able to do to bring down any additions to the debt since I've been in office was, over the last 3 to 4 years we've kept health care inflation at its lowest rate in 50 years since the Affordable Care Act passed. And because of that, the Medicare trust fund, we essentially saved well over \$100 billion—I think it was about \$160 billion and counting—just by making health care more efficient. And by the way, people got just as good or better care. This wasn't done through rationing, it wasn't done through us cutting people out of the program. It just had to do with better delivery.

That's part of the reason, by the way, why I think that Medicaid expansion, where it has been implemented, is smart. It is going to prevent you from having bigger problems down the road that your States are going to have to

pay for. I don't expect any of you to agree with me right now, but if you'd just look at where it's been implemented effectively, it's going to save you money over the long term. It's been done really well in Kentucky, but that's a whole other question.

I've got time for one more question or two? I'm going to make it two. Jack.

### *Criminal Justice Reform*

*Governor Jack A. Markell of Delaware.* Mr. President, thank you. On a topic that I know is of significant interest to you—and the Attorney General talked to us earlier about criminal justice reform—most of our conversation here is always about policy, but I do have one specific thought regarding your convening power, which I have seen play out incredibly well when it comes to some health care issues as well as some college access issues.

We all know that one of the most important predictors regarding whether the 97 percent of the people who are in our prisons, when they come out, whether or not they're going to be on a decent path, is whether or not they can get a job. And so there's a lot of great work going on around the country, both Democratic and Republican Governors alike. The beauty of this is, it really is a bipartisan issue. But in addition to all the great policy work that's being done, one of the most important things, I think, is getting employers to the table. And this is an issue, as I was speaking with Valerie last night, an issue I was invited a couple months ago to New Orleans by the Koch brothers to speak at a conference on criminal justice reform. Never really expected to be invited by the Koch brothers to speak at something—[laughter]—but really doing some terrific work.

But I do think there really is an opportunity to get employers across the country to the table to recognize the importance of this issue, the fact that a lot of these folks could actually do a good job. And I think if we can move the needle not only on all the policy work, but on also getting employers to take a chance on some folks, a lot of them really very low risk ex-offenders, we can really make a difference. We

can keep them out of prison and contributing. Because I think we all recognize that there's just no way we as a country, we as any community can be successful when we have so many able-bodied, able-minded people who are staying on the fringes. And we have lots of populations in that category, but I think the ex-offenders is one specifically where the White House's convening authority could make a huge difference.

*The President.* Good. Well, I appreciate that, Jack. Let me compliment a number of Governors around this table who have initiated their own reforms at the State level. Part of the reason why we have confidence that we can do crime smarter, keep crime rates low, reduce long-term sentences for nonviolent offenders is because there are a lot of States that already showed the way, including some very conservative States. I mean, this is an area where, for example, Texas did some really smart stuff, and it's worked. And so I would urge all of you to take a look at what's been done in—at the State level as well as some of the data and reports that we're generating as we pushed for Federal criminal justice reform.

But to your specific point, I was up in Newark to highlight best practices, and there was a Federal judge there, relatively young woman, district court judge, who had partnered with the local community, the U.S. attorney there. They'd gotten a little bit of money out of a tiny little program that we're trying to expand within the Justice Department to make reentry work. And there was a young man who was there who is 37 years old, had spent 10 years in prison, had gotten in trouble before that, then finally got nabbed for a serious, though nonviolent, drug offense. Went to jail for 10 years, and he described what it was like. He had decided he was going to turn his life around.

And he gets out, and by lying on his résumé, he gets a job at a Burger King. And he is dropped off in the same neighborhood that had produced him and had gotten him into this trouble, and so he is standing there, 27-year-old—or 30-year-old man, wearing the Jack-in-the-Box—I think it was a Jack-in-the-Box outfit. And his old gangbanger friends are coming

up and saying: "Man, you're wearing the same shoes you went into jail with. And you sure you want to keep on doing this for minimum wage?"

And he described the temptations that were involved. He couldn't—he didn't have permanent housing. He didn't have money for a car. He didn't have new clothes. He had no idea how to write a résumé, but he wanted to do the right thing. And this program, the Federal judge dug into her own pocket in some cases—the probation officers were this great team, incredible—really humane, caring folks—helped him get into a community college, helped him study to become an EMT, and by the time I met him, he is, like, a 37-year-old man who is working for the State as an EMT. Paying taxes, law abiding, mentoring younger people. And the amount of money that was spent to save this young man was a fraction of what had been—it cost to incarcerate him.

And the likelihood of recidivism has dropped precipitously as a consequence of him having a whole new identity. So what that tells me is, is that we can be really smart about this, and I am very proud that there has been bipartisan support around this. I do think that there is a convergence of liberals, conservatives, evangelicals who have terrific prison missions and believe in redemption, libertarians who are concerned about the growth of prison populations, the fiscal conservatives who are concerned about how much all this stuff costs, and it's all coming together.

But the last point I'll make about this is the role of employers. There was, at this same roundtable, this young man who had had a family business for years. And for years, they had hired ex-offenders, very quietly, not as a systematic thing. They—it was a produce and meat wholesaler, and they'd hire guys in. And so this kid, he—who is now running the company, this young man who had inherited the company, he described how when he was growing up, there would always be some big guys around that he'd just took for granted, and it turned out that his dad had hired them as ex-offenders.

And he described how important it was to understand the mentality of somebody who has never had an opportunity to work before in a regular setting. Simple things, like under—the employer has to understand that they may not smile right off the bat because where they’ve just come from, if you smile, you don’t know what might happen to you. And so there’s a whole adjustment process in terms of letting your guard down. Talking about how the employer has to make an investment and say: “Look, you need the right kind of shoes, and you need the right clothes for the cooler. And we’re going to take this out of your check, but if you’re here for 6 months, we’ll pay for it.” Just all the steps that are taken.

And when an employer ends up being committed like that, what they’ve discovered is that they will not have a more loyal employee who will go to bat for them, work harder, be more productive, because they’ve been given a second chance. And so us getting sort of a critical mass of employers who are willing to give that second chance I think has to be part of this whole process.

All right, last question. Go ahead. The—my host for my outstanding Alaska trip. Those of you who have not gone to Alaska, I strongly recommend you go, because it was gorgeous up there. [Laughter] Now, I did go during the summer. I don’t know what it’s like during the winter.

### Alaska

*Governor William M. Walker of Alaska.* Oh, it’s even nicer in the winter.

*The President.* It’s a little cold, isn’t it?

*Gov. Walker.* It’s even nicer in the winter.

*The President.* That’s what I hear.

*Gov. Walker.* I just want to quickly thank you and your administration for what you’ve done in Alaska. During—I’ve been Governor for 1 year. Every Cabinet member here I have met with so many times, some more than wanted to, that they wanted to—they’ve been to Alaska. Secretary Moniz, we had lunch in Bethel last week and went out to the village of Oscarville. Mr. President, Alaska was so excited about your unprecedented trip. We get a lot

of visits with people that are refueling, and you didn’t—well, you did refuel, but you stayed there and came back, that was your destination. What you did with rural Alaska we’ve never seen before. You brought a hope and excitement there that—and I’m saying, I’m nonpartisan. I can do this. I mean, I’m not, I’m not—I’m the only nonpartisan Governor in the Nation, so I don’t have to worry about if I’m picking sides on one or the other. You are as well. Okay. [Laughter]

But my question is, I just—I’m going to continue to work with your administration because the doors are always open, we don’t always agree. We have a problem. I inherited a similar situation. I’ve got a deficit that is huge, a \$4 billion deficit with a \$5.6 billion budget. We’re—we’ve got problems. We have an oil pipeline that’s empty. I need to fill it up. There’s a lot of oil up there, and we’re going to get it safely. And thank you for your—some of your positions you’ve taken, but we need to put oil in that pipeline. We need access to 1 percent of our national park to be able to do that. So I’m going to continue to work with your administration on Medicaid expansion—it put. I got a—I accepted it unilaterally after the legislature didn’t approve or didn’t vote. Ten thousand more people have health care, and one law firm has more work because they sued me as a result of that. [Laughter] But that’s okay, that’s another story. [Laughter] But thank you very much for what you’ve done. Thank you.

*The President.* Well, I appreciate that. And I mean what I say. The—Bill’s hospitality up in Alaska was extraordinary. It is a—it fills up your soul being up there, just the landscape and the expanse. The sheer scale of everything is remarkable, and the people could not have been more gracious and wonderful. This goes back to the issue we had talked about earlier in terms of energy. We have encouraged exploration in some areas. There are some areas that are just real sensitive. And one of the ironies when you’re up in Alaska—and I mean this sincerely—it shows you that everybody can be two minds about this. I’d have some people say in the same breath, protect this beauty and scenic areas and make sure that nobody is

polluting it, and then, oh, and by the way, let's get going on some oil drilling—at the same time.

And our goal has been to try to balance those equities and to make sure that economic development has taken place in Alaska, that folks are being well served, but that we're also preserving the very thing that makes that place so unique and people care about it so deeply. And I appreciate what you said, though, Bill.

We are always going to work with all of you. And we will put all our cards on the table. My instructions to my Cabinet are, listen, if you can find a way to make something work, make it work. If you can't, at least explain why it is you can't. If we—make sure that it's not just because that's how we've always done things. I don't care how we've always done it in the past; if we can do it smarter this time, let's do it smarter this time. And as a consequence, we've made significant progress with many of you on a number of issues. We can make even more over the next year. And since this will be the last meeting in which I'm addressing all of you, I just want to thank all of you for your service.

Part of the reason we invited the cameras here—usually, when I have Q&A with anybody, we try to restrict the press just so that people feel open and don't feel like if they ask a question that they have to be guarded about it. But the truth is, after so many years of interacting with you, every time we've had a conversation, it's been constructive and useful. And I thought it would actually be useful for the American people to see that the folks in charge aren't always just posturing, they're actually trying to get some work done. You guys are a good model of that.

And my hope is, is that seeps into the broader political debates and conversations that we have. The benefit of being a chief executive, of being a Governor is, is that you can make as many political arguments as you want, but if the stuff doesn't work, people are going to notice. And all of you have taken that to heart, so we appreciate your sacrifice, we appreciate

your families' sacrifice, and we look forward to making continued progress in the months to come. And for those of you who are not term limited, good luck. [*Laughter*] All right.

NOTE: The President spoke at 12:29 p.m. in the State Dining Room at the White House. In his remarks, he referred to Dorothy Brown, Barbara Hawthorne, Mary Jo Nye, Mary Lou Nye, Richard Smith, and Tyler Smith, who were killed in the shootings in Kalamazoo, MI, on February 20; Jason Brian Dalton, suspected gunman in the shootings; Mayor Bobby J. Hopewell and Chief of Public Safety Jeffrey Hadley of Kalamazoo, MI; Sheriff Richard C. Fuller III of Kalamazoo County, MI; Thomas E. Donilon, Chair, and Samuel J. Palmisano, Vice Chair, Commission on Enhancing National Cybersecurity; former Gov. Michael O. Leavitt of Utah; former Secretary of Transportation Raymond H. LaHood; former Secretary of the Interior Kenneth L. Salazar; Gov. Charles D. Baker of Massachusetts; Gov. Margaret Wood Hassan of New Hampshire; Sen. Bernard Sanders; former Gov. W. Mitt Romney of Massachusetts; Madeline Cox Arlea, judge, U.S. District Court for the District of New Jersey; U.S. Attorney for the District of New Jersey Paul J. Fishman; and Essex County, NJ, resident Dquan Rosario, a former participant in the Department of Justice's "Re-New" prisoner reentry program in Newark, NJ. He also referred to the Islamic State of Iraq and the Levant (ISIL) terrorist organization; and H.R. 644. Gov. McAuliffe referred to Jerry E. Abramson, Director, Office of Intergovernmental Affairs; and White House Senior Adviser Valerie B. Jarrett. Gov. Hogan referred to Deputy First Class Mark F. Logsdon of the Harford County Sheriff's Department, who was killed in the line of duty in Abingdon, MD, on February 10. Gov. Markell referred to Charles G. Koch, chief executive officer and chairman of the board, and David H. Koch, executive vice president, Koch Industries, Inc.