Exhibit 14

October 2011 Panetta Speech
Defense Secretary Leon Panetta: (In progress) – another brother in California and they spent one winter in Sheridan, Wyoming, and my mother said it was time to go to visit the brother in California, and that’s what eventually they were able to get out there – made it to Monterey. I was born in Monterey. That’s been my home. I represented that area in the Congress. And I used to ask my parents, why did you make the decision to travel all those miles to come to a strange country? It’s not like they had the Internet and knew where they were headed and knew all of the challenges that they would face. They had very little money. They had very little education. They had very few skills. No language ability. And still once you leave a small part of family – obviously a poor area in Italy at the time – but pick up and go all that way to a strange country. Why would you do that? Why would you do that? My father said the reason they did it was because he and my mother believed that they could give their children a better life in America. And I think that’s the American dream. That’s the dream that they wanted for their children. It’s the dream that you have for your children and their children and future children. It’s the dream of giving our children a safer and better life.

And in many ways that’s what you’re involved with. That’s what you’re doing here. And first and foremost, I want to thank you for the service that you provide. Naples, obviously is a great place to be located, but it’s sacrifice. It’s sacrifice. You’re away from home. You’re away from your families, many of you. And you’re doing a tough job. And I thank you for your willingness to do that. This country – this country’s strength is based on people like you, men and women like you, that are willing to give something back to the country. Willing to sacrifice, willing to put your lives on the line, and willing, if you have to, fight for your country. That’s what makes the United States of America one of the strongest countries in the world. Because of you, because of your sacrifice and because of your public service. And I deeply thank you for that.

You know, having moved from the CIA to the Pentagon, obviously I have a hell of a lot more weapons available to me in this job than I had at the CIA, although the Predators aren’t bad. Not a bad weapon. I have an awful lot of technology. I have an awful lot of very sophisticated weaponry at the Pentagon. But I have to tell you, for all the planes, for all the ships, for all the submarines, for all of the sophisticated technology that I have, I have the men and women who are willing to put on a uniform and fight for this country. Everything else wouldn’t be worth much, frankly, were it not for you. And that’s what makes us strong, and that’s what makes the United States a leader in the world.

Now, we’re facing a number of challenges. This is a challenging time. The world is going through a real transformation in a number of areas. And we are facing a lot of threats in a number of areas as a result of that. We’re looking at the continuing challenge of fighting two wars in Iraq and Afghanistan. And our hope is that we’re going to be able to draw down our forces in Iraq – we’ve already begun that process – and leave behind a stable Iraq that will be able to secure and govern itself.

In Afghanistan, we’re also in the process of beginning a drawdown that will take us through 2014. And the fact is, just having come from Brussels where General Allen presented a summary of what’s happening in Afghanistan, we’re on the right track. We’re making good progress. We have weakened the Taliban. The Taliban were not able this last fighting season to really be able to put together a concentrated attack. Yes they did assassinations, yes they did some high-profile attacks of what’s happening of Afghanistan, we’re on the right track. The world is going through a real transformation in a number of areas. And we are facing a lot of threats in a number of areas as a result of that. We’re looking at the continuing challenge of fighting two wars in Iraq and Afghanistan. And our hope is that we’re going to be able to draw down our forces in Iraq – we’ve already begun that process – and leave behind a stable Iraq that will be able to secure and govern itself.

The same thing is true for the police. We’ve begun a transition period. We transitioned in seven areas. And we’re going to do another tranche of areas this fall. So we’re beginning that transition process to try to be able to turn those areas over to the Afghans. There are still issues regarding governance, still issues regarding the capability of the Afghans to be able to provide stability within their own country, to be able to finance challenges that they’re going to face in the future. All of those are real. But the bottom line is that we are going in the right direction. We’re making good progress. And a lot of it is due, frankly, to the men and women who are willing to put their lives on the line.

One of the toughest things I do in this job is write condolence letters to families of those that have been lost in battle. But one of the things I try to say to those families is that I know how difficult it is to lose a loved one, but I want you to know that your loved one gave his or her life for our country – for our country. And they are heroes, they are patriots, and we will never forget their sacrifice. And that’s why we’re going to make what they were fighting for work. That’s the challenge we have is to ensure that all of the sacrifices that has been done is not in vain, that in fact we are going to accomplish the mission that they died for.

Terrorism remains a threat as well. Again, we’ve had some great operations against terrorists, at Qaeda. We celebrated the tenth anniversary of 9/11 this year. The reality is we’ve come a long way fighting at Qaeda. We were able to take down bin Laden. Just recently we took down Awlaki in Yemen. Al Qaeda is spreading to these other areas. We have impacted on the leadership of al Qaeda. We have seriously undermined their ability to be able to put together the kind of attacks in the United States that we’ve experienced in the past.

But a lot more remains to be done. We’ve got to keep the pressure up. These are individuals that want to attack the United States, and they’re going to continue to plan to do that, and our job is to...
Q: Is the military retirement system going to be changed?

SEC. PANETTA: Is what?

Q: Is the military retirement system going to be changed?

SEC. PANETTA: My question today is, is the military retirement system going to be changed?

SEC. PANETTA: Is what?

Q: Is the military retirement system going to be changed?

SEC. PANETTA: The question was whether the military retirement system is going to be changed.

Q: Is the military retirement system going to be changed?

SEC. PANETTA: Good morning.

Q: Good morning, sir. I– (unintelligible).

SEC. PANETTA: Good morning.

Q: My question today is, is the military retirement system going to be changed?

SEC. PANETTA: Is what?

Q: Is the military retirement system going to be changed?

SEC. PANETTA: The question was whether the military retirement system is going to be jinxed. No, I don’t think it is. Look, like everything else, when you’re facing these level of cuts, you’ve got to look at everything, and I think that’s important to do. But at the same time, as I said, it’s really important that we protect the benefits that were promised to people in the military. So the question is as -- there are threats we have to confront. We’ve got the whole challenge of what’s happening in the Middle East with the Arab spring and what all of you are involved in, in Libya. And I have to tell you, I express the thanks of the American people to all of you that were involved in that mission. I expressed my thanks to all of the individuals around that NATO table who all came together in what has proven to be a very effective NATO operation of countries joining together in order to make sure the civilian population was protected, in order to make sure that people in that country would have the opportunity to really develop self-expression, to develop the universal rights that are important for people, to develop the political and economic reforms that are important to people. You have given the Libyan people the ability to do that. That’s a tremendous accomplishment. And we’re going to face other challenges in the Arab spring as these countries emerge. Those are challenges we’re going to have to look at, deal with.

We’ve got cyber attacks now. The whole cyber world is another battlefront for the future. And we have the continuing challenge of rising powers in the world. What’s China going to do? What’s India going to do? What are continuing issues dealing with Russia and others. So this is a complicated world that involves a number of threats that we’ve got to confront and deal with, and we will. We have the very best military in the world, perhaps in history. Very best military. And the challenge now is to maintain that as we deal with those threats.

All of this comes at a time when we’re facing budgetary constriction. The Congress has just handed a number of -- 300 and -- it’s 400 – 350, but when you interpret it under the baseline that we’re dealing with it’s about $450-plus billion that I have to reduce the defense budget over 10 years. And as tough as that is, I’m working closely with the service chiefs, I’m working with the combat commanders, I’m working with my undersecretaries, and we think it’s tough but it’s manageable – that we can do this. It’s not going to be easy but we can do this, and we can do it in a way that protects the best military in the world.

I mean, my goals in trying to implement those reductions are, number one, to maintain the best military in the world; number two, not to hollow out the force. We are not going to make the mistakes of the past. After every war in the past we basically made a mistake of hollowing out the force and making it that much more difficult to be able to protect this country. We’re not going to make that mistake. Thirdly, we’re going to do it in a balanced way. We’re going to look at efficiencies, we’re going to look at areas where we can try to reduce costs. We’re going to look at areas that involve trying to improve procurement of these large systems that are important to modernize with. We’re going to look at, as we drawn down troops, beginning to develop some reductions in the force structure as well.

But the end result of all of this has to be that we have an agile, effective and capable force, and to do that the most important element is I can’t break faith with you. I can’t break faith with those that serve in our military. You’ve been deployed a number of times, you’ve been out there fighting, and we have to make sure that we are true to the commitments that we make to all of you.

So those are some of the things that have to guide us as we go through this. I’m not saying this is going to be easy. It’s going to be tough. And frankly, the worst thing that could happen is if Congress fails to come up with ways to reduce the deficit and they allow this automatic trigger to take place which will double the number of cuts that face the Defense Department. If that happens, it’s a disaster, and it will hollow out the force, and there will be RIFs, and we will make terrible mistakes with regards to our national defense in the future.

Now, that’s a fight I’ve got to make in Washington, but I really believe it’s a fight we can win. Why? Because I think people understand that this is the best military, that you’re putting your lives on the line, and that as a result of that we are protecting the security of the United States, and in many ways we are protecting the security of the world.

As I said, the fundamental dream that has to drive everything we do is the dream that my parents were all about, the dream of making sure that our children have that safer and more secure and better life for the future. Because of what you do, because of your sacrifice, I think all of us can say we are making that dream real.

Thank you very much for having me, and keep up the great work.

(Applause.)

Okay. Your questions? Go ahead, right here.

Q: Good morning, sir. I– (unintelligible).

SEC. PANETTA: Good morning.

Q: My question today is, is the military retirement system going to be changed?

SEC. PANETTA: Is what?

Q: Is the military retirement system going to be changed?

SEC. PANETTA: The question was whether the military retirement system is going to be jinxed. No, I don’t think it is. Look, like everything else, when you’re facing these level of cuts, you’ve got to look at everything, and I think that’s important to do. But at the same time, as I said, it’s really important that we protect the benefits that were promised to people in the military. So the question is as -- there are groups that have looked at this. And the one that I have made clear is that we have to grandfather those benefits in – that if you’re serving, if you’re in the service, you made a decision to make this a career, that your benefits ought to be protected.
Look, personnel costs have increased. They've increased dramatically. Right now just healthcare alone I think our costs are almost $52-$53 billion, just for healthcare alone. So if I'm going to protect the force, if I'm going to protect the force structure, if I'm going to protect that best military that we have, we've got to look at efficiencies, we've got to look at goings on duplication, we've got to look at going over head, we've got to look at going after procurement problems that sometimes develop systems over a 20- or 30-year period and by the time the damn weapon comes on board it's outdated. We've got to develop greater competition in terms of contracts. We've got to be able to look at some of these -- the healthcare areas -- and try to see whether we can in fact find reforms there that not only improve it, but deal with some of the cost increases that are taking place. I mean, I've got to look at all those areas to be fair to everyone.

And if I just said, no, to hell with that, we'll just reduce the force structure, which is what has happened in the past, that would be wrong. But that's the challenge I face. And I'm going to -- listen, we're not going to hide anything from anybody. This is going to be a transparent process. But I have to tell you this, I am not going to do this without the service chiefs working with me. I am not going to do this without my combat commanders. I need their best guidance, I need their support, and if I have that we can make this work.

Q: Good morning, Mr. Secretary. Thank you for being here. And thank you also for your public -- not just here -- but your public support of the troops when it comes time to being promised --

SEC. PANETTA: Yeah.

Q: -- matters that may have happened. Obviously, some terrible things have happened which we should prosecute our own for. My question, sir, is both sides have drawn a line in the sand about we're adamant that if we're going to be someplace we should have immunity or we should take care of them ourselves, and Iraq and other areas have said that they're adamant that if we're going to be there we should be obeying their local laws. My question, sir, is how might this affect our remaining in Iraq to the last few people that will be there, but also other places that we might be going to in the future?

SEC. PANETTA: This is obviously a very pertinent question right now as we try to deal with the issue of whether or not we'll have a future presence in Iraq. Right now with regards to Iraq, that is in negotiation. Ambassador, General Austin, are meeting with the Iraqis and continue to discuss A, what are their rights, and B, what's required in order to assist them in the future.

But my -- as Secretary of Defense, if I'm going to put a significant or large group of forces in place, I've got to have protections for you. Got to have protections for you. If you're going to go out and do operations, if you're going to go out and get involved, I mean the reality is that we have to protect you. That's why we developed SOFA agreements. That's why we developed agreements that provide those kinds of immunities.

Now, we have presence in embassies, we do have some protection by virtue of the Vienna Convention. There are other protections that we have. But if you're going to play a large role in dealing with another country where it requires, as I said, a large group of troops to be on the ground and to be dealing with that country, I want to make damn sure that you're protected. So we have to make that clear to the people we deal with. If they want the benefits of what we can provide, if they want the assistance, if they want the training, if they want the operational skills that we can provide, then I think they have to understand that they've got to give us some protections in that process. And if something happens, obviously we'll prosecute our own, and we'll have done that, and we will. But I have to be able to protect the people that are willing to put their lives on the line.

Q: Good morning, sir. (unintelligible).

My question, sir, is where do you stand when it comes about our manning in the Navy? Our manning. Manning systems, sir. Manning systems, sir.

SEC. PANETTA: Manning system?

Q: Yeah.

SEC. PANETTA: Are you talking about -- (inaudible)?

Q: Personnel manning, sir. Personnel manning. Because right now, sir, I can tell you from my experience we're overworked but undermanned, to be honest, sir. I'm serious. We're overworked and undermanned, so I'm having to pull my arms this way, this way, like this way to help the command.

SEC. PANETTA: Tell me what you're talking about. I mean give me an example.

Q: Well, sir, I'm in logistics. My rate is logistics support, and we support the command logistically with all their operations, whether it Libya or any other thing.

SEC. PANETTA: You're telling me you're working your ass off.

(Laughter).

Q: Always, every day, sir. I hope my -- (unintelligible) -- chief's not hearing this.

(Laughter.)

SEC. PANETTA: Well, look, obviously the thing all of you have done is you have served above and beyond the call of duty in many instances. We're spread out. We're spread out in a number of places. Presence in Iraq, presence in Afghanistan, presence in other parts of the world. We've got a large presence in North -- or in South Korea, in Japan, in Okinawa. We've got presence throughout the countries of the Middle East. We've got all of the threats and all of the challenges that I just talked about. And obviously to be able to -- you know, you suddenly get a Libya mission on top of that. To be able to pull the forces together and be able to do the job is demanding. And in many ways, we ask you to do a hell of a lot more than you would normally be doing in order for us to accomplish the mission, but that's what makes us the best military in the world.

So my challenge is to make sure, obviously, that we adequately man our operations and that we support our operations wherever they are. But there are going to be times when I'm going to ask you...
are long hours. I know you're overstretched. I know you're doing some of the toughest work possible. But that's what makes you the best military in the world.

And in the end -- in the end it's not about -- it isn't about how much money you make, it isn't about the benefits you get, it's about the fact that you are serving the United States of America and you're protecting the people of our country. That's what it's all about. And it's for that reason that I am here personally to say thank you. Thank you for your sacrifice. I couldn't do this job without you. So there are going to be moments when you're going to be stretched. There are going to be moments where you're going to have to work your tail off. But in the end, the most important thing is that we not only accomplish the mission, which you've done, accomplish the mission, but we are going to keep America safe. That's what we're all responsible for.

Okay. Another question.

MR.         :  We have time for one more.

SEC. PANETTA:  One more. Go ahead.

Q:  Fire controlman second class -- (unintelligible). I work down in the Sixth Fleet Tomahawk cell. My question is with the increased emphasis on ballistic missile defense in the region and the stationing of four new warships in Rota, Spain, what is the future of Sixth Fleet and the Mount Whitney in the country of Italy? And on another question, what is your opinion on the role of the Department of Defense and Sixth Fleet with the instability in East Africa at this time, sir?

SEC. PANETTA:  Yes. Well, the most important role that we play in the world, particularly with our naval forces, is our ability to project force, to have that presence in the world. It's particularly true in the Pacific region. It's true out in this area as well.

In the Pacific, we're concerned about China. The most important thing we can do is to project our force into the Pacific. To have our carriers there, to have our fleet there, to be able to make very clear to China that we are going to protect international rights to be able to move across the oceans freely. That's a fundamental right and we're going to protect it. And they need to know that we're going to have a presence there as a result of it.

And I think the same thing is true obviously in the Middle East and in this region. We've got to be able to project force here to make clear that we're always going to be around and that we're going to protect the rights to be able to have free movement across the seas and that we'll always be a presence that others will have to deal with. That's a very important role in terms of defense and projecting our defense throughout the world.

With regard specifically on the missile side, obviously our vessels are going to play a very important role, as we did in the announcement we made in Rota, they have the Aegis vessels that will be located there, and that will be part of our missile defense system that we're developing. And we're putting a lot of these pieces in place. We've had other countries that have joined in that system. We're going to continue to work at that because we think that's really important to protecting this region. And hopefully, we'll be able to join up with NATO's efforts in that as well. And it will be a very significant system that will, we think, make the world safer for everyone.

So there's going to be a key role to play, obviously, for the Navy as part of that missile defense system, but more importantly I view the Navy as one of the major factors in projecting force to the world to let everybody know that the United States is there, that we're powerful, and that we'll continue to defend our country when we have to.

Okay, guys. Thank you very much. Good luck.

(Applause.)