

and other prudential standards that are more stringent for systemically risky institutions than they are for other financial institutions. It can also set graduated capital requirements that rise as banks and other financial institutions grow bigger and more complex. In addition, the Fed can set countercyclical capital rules that require banks to build up capital buffers during a bubble. While the Basel agreement also calls for such countercyclical rules, national regulators will have great discretion on when and how to implement them.

But to truly address too big to fail, regulators will ultimately need to limit the size, complexity, and riskiness of megabanks. The final financial reform bill has a number of provisions that have the promise of doing this, if regulators avail themselves of them. For example, the final bill's inclusion of the Kanjorski provision will give regulators the explicit authority to break up megabanks that pose a "grave threat" to financial stability. In addition, the requirement that systemically significant firms develop "living wills" allows regulators eventually to force an institution to shed assets if it fails to submit a credible resolution plan. Because resolution authority does not work for global mega-banks sprawled across many borders, I believe it will be imperative for regulators to use these powers.

I hope we ultimately take heed of the lesson that Chairman Bernanke identified. While the Basel III framework will be useful in setting minimum international standards, U.S. and other national regulators will need to go far beyond it to address the problem of too big to fail. Of course, I would have preferred to have solved this problem by drawing simple statutory lines, such as those put forward in the Brown-Kaufman amendment. The Dodd-Frank bill instead takes a different tack, leaving critical decisions in the hands of the regulators. Its ultimate success or failure will therefore depend on the actions and follow through of these regulators for many years to come.

As I have said before, Congress has an important role to play in overseeing the enormous regulatory process that will ensue following the bill's enactment. The American people, for that matter, must stay focused on these issues, if just to help ensure that Congress indeed will fulfill its oversight duty and its duty to intervene if the regulators fail. Although I will be leaving the Senate in November, I will be watching to see if the regulators have learned the lesson to which Chairman Bernanke refers and are willing to take the tough steps to solve the too big to fail problem.

#### MIDDLE EAST PEACE PROCESS

Mr. KAUFMAN. Mr. President, while a U.S. Senator I have traveled to the

Middle East three times, visiting Israel each time and the West Bank twice. My travels through the region also included four visits to Iraq, as well as visits to Saudi Arabia, Lebanon, Egypt, Syria, Turkey, and Kuwait. What I have seen in those trips gives me a certain amount of qualified optimism different than any I have had in my 37 years following the Arab-Israeli peace process.

This morning, I shared my thoughts with the organization J Street, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Good morning. I am pleased to address you today about the Middle East peace process, a topic J Street has done so much on already. I often describe the Middle East as a roller coaster, full of ups and downs and the occasional complete loop. It might be an exciting ride, if only you had any idea when it was going to end. In my experience things are most dangerous in the Middle East when you are optimistic. We have all learned the Middle East can break your heart.

Even with that in mind, after 37 years working in and around Washington, I am optimistic about the prospects for a Middle East peace process. I know the major obstacles to peace and I will highlight two in particular that I believe are most threatening, but first let me explain the reasons this time feels different to me.

First is Iran. As one of my top priorities as a U.S. Senator, I sought out updates on the Middle East from my very first days in office. What I heard from senior administration officials and other senators surprised me: when they traveled to the region they found the Arab states—for the first time in my experience—did not start with a diatribe about Israel, but rather wanted to talk about Iran, and the destabilizing effect an Iranian nuclear weapon would have on the whole Middle East.

I went there myself and found it to be completely true. And I think my most recent trip to Saudi Arabia provides a wonderful illustration of this. In Riyadh, we spoke with members of King Abdullah's consultative assembly, a group of professionals appointed by the King to offer him advice. They certainly wanted to talk about the peace process with us, but at the same time a comment from the chair of their foreign relations committee was typical. He said "Iran wants to destabilize the Gulf. We do not believe they have a peaceful nuclear system, because otherwise, why would they be building delivery vehicles."

At higher levels in Saudi Arabia, the realization at last that Iran, not Israel, is the greatest danger to stability in the Middle East is even more pronounced. We met behind closed doors with a member of the Saudi royal family and had a lively back-and-forth about the peace process. But at the end of our discussion, he turned to us and said, I paraphrase, "It's really all about Iran."

It is not difficult to see why. Saudi Arabia has been the unrivaled most important Muslim country in the Gulf for nearly half a decade, the one that the other Muslim countries look to for leadership. A nuclear Iran is a direct challenge to Saudi existence in the Gulf, and the centuries of bad feelings between their peoples ensure that it will not be a friendly competition.

Saudi Arabia, as the leader of the Sunni world, sees an aggressive Shia Iran as a threat to its most basic principles, and fears its export of extremists around the region and within its own borders. The Saudi monarchy has already fought an extremist domestic insurgency in the last decade, and it understands all too well the threat they pose.

Why does this make me optimistic for the peace process? Well, for the first time a nation like Saudi Arabia has a cold-hearted realpolitik motivation to support peace. The looming threat of Iran has focused their mind so that they, and other Arab nations, know they need to solve one security issue and, in the words of a member of the Saudi consultative assembly, "take away Iran's best propaganda tool."

The best evidence of this is the Gaza flotilla. In years past, something like the flotilla incident would have derailed the peace process down and possibly led to an intifada, but this time, the direct talks started. The relatively muted response to the end of the settlement moratorium may very well be another example.

Second, I am optimistic because of the U.S. dream team working to promote the peace process. President Obama is unshakable in his commitment to this issue and is determined to have progress. At the UN General Assembly last week, I thought he laid out the stakes very well, when he said in clear terms about the next year of the peace process that "this time we will not let terror, or turbulence, or posturing, or petty politics stand in the way." If we do, he said, "when we come back here next year, we can have an agreement that will lead to a new member of the United Nations—an independent, sovereign state of Palestine, living in peace with Israel." And he is right.

But it is not the first time he has made clear the United States is done with the old games and will put all its efforts into peace. It was made clear when he assembled a crack team to work on this in the Middle East and in Washington. The Vice President is truly an expert in the region, and Israel has no better friend than him. And Secretary Clinton deserves enormous credit for her work to set the right tone. But I want to spend a few minutes talking about the President's peace envoy himself, George Mitchell.

Senator Mitchell and I share something in common, we were both appointed to replace our former bosses. Along with Senator Kirk, we are the only three men in history to replace a Senator for whom we served as chief of staff. But that is not why I think he is the dream team's MVP.

My father was a secular Jew, and my mother was Irish Catholic, so I have been deeply familiar with both conflicts throughout my life. The Troubles in Northern Ireland were every bit as intractable as the problems in the Middle East. Just like Israel and Palestine, people said that ancient grudges would ensure that there could never be a compromise between a population that would only settle if Ireland was all Catholic or all Protestant. But George Mitchell brokered a peace, by understanding that both Catholics and Protestants wanted an end to the violence so they could get on with their future, and that, through perseverance, a solution could be found that both thought tolerable.

Senator Mitchell has brought that same tireless approach to the Middle East, and it has paid off with the first direct talks in almost two years. At those talks, he is well-served by his extensive background in the region, stretching back to his time as a staffer

in Washington. He is certainly no neophyte to Arab-Israeli negotiations.

Even the history of the last two years that led to direct talks is based on his experience. When he chaired a fact-finding committee in 2001 to determine the best way to get the peace process back on track in the middle of the intifada, it produced what we call the Mitchell Report, suggesting three phases of action: the immediate end to violence, rebuilding confidence in the Palestinian Authority by focusing on their ability to prevent terrorism while the Israelis froze settlement activity, and then the resumption of direct negotiations. It took eight years to get this process moving, but look where we are today.

Senator Mitchell has also had a long and storied career, including bringing peace to Ireland. He did not take this job to be one for two. You can bet that he is confident that an answer is within reach, and within reach soon. He is not preparing an eight-year plan.

My third reason for optimism is the Israeli and Palestinian leadership, particularly Bibi and Abu Mazan. Much has been made of Prime Minister Netanyahu's unwieldy coalition and the multitude of small conservative parties which each have vested interests that could sink a peace deal. But after numerous meetings with him, I am convinced that he wants peace.

I have no doubt that Bibi has wanted peace his whole life, as so many do, because the security of his country and his family depends on it. But, like with the Arab leaders, current events have provided an added real-politik impetus right now. In my last trip, Defense Minister Ehud Barak sketched out why achieving a solution based on two states, living side-by-side in peace and security, is an existential issue for the unique Jewish democracy that exists in Israel. The alternative to lasting security through two states, he said, is the complete annexation of the West Bank and Gaza. The resulting state would either be non-Jewish, because of the size of the Israeli Arab and Palestinian population, or non-democratic, if Palestinians are disenfranchised. I believe Abu Mazan also really wants peace. Like Bibi, though, current conditions give him an unprecedented flexibility for achieving it. The Arab states that have awoken to the danger of Iran now give Abu Mazan, perhaps for the first time, a true green light to come to a negotiated settlement with the Israelis.

The Arab League in the past has acted as a break on negotiations, but now its members appear more eager for a conclusion to the long-running crisis. I am hopeful that when they meet on October 4 to consider what to do about the end of the settlement moratorium, amidst a great deal of angry rhetoric will be a go-ahead for Abu Mazan to continue talks. It is that important to both him and Arab leaders to achieve peace, and time is of the essence.

So those are three good reasons for optimism, but now the bad news: those that benefit from opposing peace will do everything they can to try to destroy the process. We know that both Hamas and Hezbollah will lose a major reason for their existence, if not the only reason for their existence, if peace is achieved. We should expect them to do everything in their power to stoke violence and provoke a reaction they can turn to their benefit.

After all, they do not need to defeat the peace process, they only need to delay it long enough that Abu Mazan follows through on his announced retirement or loses credibility, leaving a leadership vacuum for Pal-

estinians—and in all my travels, briefings, meetings, and hearings not a single person has been able to suggest a Palestinian leader who can effectively replace him. Or they only need to delay the peace process long enough that President Obama's dream team breaks up. Or delay it long enough that more Arab states follow the path of Syria and increasingly Lebanon and decide that the benefit of kowtowing to Iran outweighs the cost of being in their crosshairs.

As I said at the beginning, the Middle East will break your heart. Whenever you are most optimistic things are most dangerous. But the focus of Arab states on Iran as the true threat, the United States peace process team, and the leadership of Palestinians and Israelis are each new features in this long story. Well aware of the pitfalls, I remain optimistic. Thank you, and I look forward to your questions.

#### TAIWAN'S DOUBLE TEN DAY

Mr. BURRIS. Mr. President, on October 10, 2010, Taiwan—ROC—our good friend and our partner in peace and economic development will celebrate "Double Ten Day," its national day. I call upon my colleagues in the U.S. Senate to stand with Taiwan and to celebrate this important holiday.

The people on Taiwan have a vibrant democracy which sustains one of the region's most important and dynamic economies. Taiwan's economy has become an attractive base for international investment, and it has achieved economic growth of over 6 percent at a time when many world economies are faltering. Taiwan's economic strength has enabled it to become a major international investor, promoting economic development throughout the region. Clearly, Taiwan has much to offer on the world stage, and much to be proud of as they celebrate their Double Ten Day.

My good friend Taiwan's President Ma Ying-jeou deserves both recognition and congratulations for his leadership in negotiating and signing the Economic Cooperation Framework Agreement, ECFA, this summer which is helping to expand trade between Taiwan and mainland China, reducing regional tensions and encouraging regional prosperity.

Taiwan has been a strong partner to the United States in our collective work with the World Health Organization, WHO, and I feel strongly that Taiwan should play a similarly valuable role in the work of global aviation safety and security initiated by International Civil Aviation Organization, ICAO. I hope my colleagues will join me in urging that important international body to welcome the participation of Taiwan.

I ask my colleagues to join with me today in standing to salute Taiwan, as a partner and friend on the world stage, on its Double Ten Day and to reaffirm our friendship, support, and continued progress together and for many years ahead.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO LES MEYER

• Mr. BAUCUS. Mr. President, today I wish to recognize an outstanding education leader from my home State of Montana. Les Meyer, principal of Fairfield High School in Fairfield, MT, has been recognized by the Montana Association of Secondary School Principals as the Montana Principal of the Year for 2010.

Les has served in the Fairfield school system for over 13 years, beginning as an English teacher in 1997 and since 2002 as the principal of Fairfield High School. Under his leadership the school has seen test scores and student achievement rise every year, while the dropout rate has fallen to almost zero. Les has expanded professional development opportunities to help his teachers do an even better job of educating our children. He is well liked and admired by the staff and students alike.

When Les was recognized as the Montana Principal of the Year, he humbly accepted the award and praised his teachers, staff, students, parents, and community members who have all contributed to the success of the young people in Fairfield schools. He noted how fortunate he is to be working in a community where folks take the education of their children seriously—a trait in communities across Montana both large and small.

There is nothing more important to Montanans than giving children the best opportunities to succeed in life. Providing our young people with a solid education is the best thing we can give them. The investments we make in our education system today will provide our children with the skills and knowledge to be successful in the 21st-century economy. Montana has some of the best teachers and principals in the country, and I look forward to working with Les and other education leaders across the State to make sure that we continue to keep the promise of a good education to our children.

Les also knows that life's lessons extend beyond the classroom. Since 2004, in addition to being principal, Les has served as the football coach for Fairfield High. Under his leadership, the team has advanced to four Class B State Championship games in the past 5 years. This season the Eagles are off to a 4 to 0 start and are ranked No. 1 in the State. Les works to instill in the young men on his team the importance of teamwork, being role models and good citizens in the community, and giving it their all both on the field and in the classroom. I wish Coach Meyer and the team the best of luck.

Les is in Washington, DC, this week along with other award winning principals from across the country who are being recognized for their achievements and are sharing their insights on