Civic Party of Belarus, a young political leader who, despite personal risk, continues to openly criticize the Lukashenka regime. His personal safety is of particular concern as he returns to Belarus following an intense crackdown against the opposition.

In recent weeks, Lukashenka has reportedly authorized a series of measures designed to further suppress Belarus' already beleaguered opposition. Border controls have apparently been tightened and officials in Minsk and other large cities have been instructed to ban public protests and demonstrations. The few remaining independent opposition newspapers, including Naviny and Kuryer, have likewise come under increased pressure from the authorities.

Lukashenka's campaign of harassment and intimidation of the political opposition has intensified. Former Premier Mikhail Chigir, arrested in March on politically-motivated charges, remains imprisoned. A number of other former government officials and political opposition figures continue to be subjected to lengthy pre-trial detention on similar changes. In a particularly disturbing development, several prominent opposition leaders, including Viktor Gonchar, Tamara Vinnikova, and Yuri Zakharenka, have simply disappeared.

Madam Secretary, we urge you to intensify pressure on the Lukashenka regime for the immediate release of all political detainees in Belarus and a full accounting of those who have disappeared. We further urge you to ensure that adequate resources are made available on an urgent basis to support those programs aimed at strengthening independent media, human rights, civil society, independent trade unions and the democratic opposition in Belarus.

Sincerely,

CHRISTOPHER H. SMITH, M.C., *Chairman*.
STENY H. HOYER, M.C., *Ranking Member, House*.
WILLIAM V. ROTH, Jr., U.S.S.
BENJAMIN L. CARDIN, M.C.
ALCEE L. HASTINGS, M.C.
BEN NIGHTHORSE CAMPBELL, U.S.S., *Co-Chairman*.
TRENT LOTT, U.S.S.
KAY BAILEY HUTCHISON, U.S.S.
FRANK R. WOLF, M.C.
JESSE HELMS, U.S.S.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE,
Washington, DC, October 19, 1999.

His Excellency ALYAKSANDR LUKASHENKA,
President,
Republic of Belarus,
Minsk, Belarus.

DEAR PRESIDENT LUKASHENKA: We are writing to express our serious and growing concerns about recent developments in Belarus. Until recently, we were becoming more hopeful that meaningful dialogue between the Belarusian Government and opposition would take place. Within the last month, however, violations of the principles of human rights, democracy and rule of law have come to our attention that, frankly, lead us to question your government's seriousness in finding a solution to the problems of democracy in Belarus. We were disturbed to learn of the arrest earlier today of democratic opposition leader Anatoly Lebedko, for allegedly participating in ''an unsanctioned march.''

Our concerns include the following:

The continued imprisonment of former Prime Minister Mikhail Chygir, who was supposed to be released from investigative detention where he has been held for six months.

The disappearances of former Central Election Commission Chairman Viktor Gonchar, his colleague Yuri Krasovsky, former Interior Minister Yuri Zakharenka, and former National Bank Chair Tamara Vinnikova.

Increased attempts to stifle freedom of expression, including the annualling of registration certificates of nine periodicals, and especially the harassment of Naviny through the use of high libel fees clearly designed to silence this independent newspaper.

The denial of registration of non-governmental organizations, including the Belarusian Independent Industrial Trade Union Association.

The police raid, without a search warrant, on the human rights organization Viasna–96, and confiscation of computers which stored data on human rights violations.

Criminal charges against opposition activist Mykola Statkevich and lawyer Oleg Volchek and continued interrogation of lawyer Vera Stremkovskaya.

The initial attack by riot police against peaceful protestors in last Sunday's Freedom March.

Your efforts to address these concerns would reduce the climate of suspicion and fear that currently exists and enhance confidence in the negotiation process which we believe is so vital to Belarus' development as a democratic country in which human rights and the rule of law are respected.

Sincerely,

CHRISTOPHER H. SMITH, M.C., *Chairman*.
STENY H. HOYER, M.C., *Ranking Member*.

[From the Washington Post, Sept. 30, 1999]

BELARUS OPPOSITION PAPER TO CLOSE

MINSK, BELARUS.—A leading opposition newspaper in Belarus said it was shutting down following a court order to pay an exorbitant fine, to the minister of security over an article he said injured his reputation.

The Naviny newspaper, which has come under frequent pressure from Belarus's authoritarian government, said in its last issue that ''both the suit and the trial were a cover-up for a carefully planned campaign by the authorities seeking to close down our newspaper.''

[From the Washington Post, Oct. 19, 1999]

BELARUSAN OFFICIALS BLAME WEST FOR RIOTS

MINSK, BELARUS.—Belarusan authorities accused the West of being behind street clashes between some 5,000 opposition demonstrators and police in which at least 92 people were arrested. But Dmitri Bondarenko of the opposition Khartiya–97 movement said police started the fighting and another opposition member said authorities have long provoked violence by repression.

The fighting broke out Sunday in Minsk following an authorized rally by about 20,000 people. The demonstrators were protesting the disappearance of several leading opposition figures and President Alexander Lukashenka's drive to reunite Belarus, a former Soviet republic, with Russia.

FISCAL YEAR 2000 INTERIOR AND RELATED AGENCIES CONFERENCE REPORT

Mr. GORTON. Mr. President, I am pleased that the Senate has passed the conference report on the Interior and Related Agencies Appropriations Act for Fiscal Year 2000. The conference report represents a good faith effort to merge the spending priorities of the House, the Senate, and the administration, and to resolve the concerns voiced by the administration about various legislative provisions in the bill. I think the conference report is a solid, bipartisan bill that deserves the overwhelming support of the Senate and the signature of the President.

The bill totals roughly $14.5 billion in discretionary budget authority, which is a significant increase from the levels contained in the House and Senate passed bills. Some of this increase is attributable to the House and Senate insisting upon funding for specific programs, and much of the increase is due to the efforts of the conferees to meet the spending priorities of the administration. While the bill before you represents an increase of about $500 million over the fiscal year 1999 level, it is still $500 million below the administration's request level.

In developing the fiscal year 2000 Interior bill, the top priority for both the House and Senate committees was to maintain the core operating programs of the land management agencies, the Bureau of Indian Affairs, the Indian Health Service, and the cultural agencies funded in this bill. Because Interior bill agencies are highly personnel-intensive, simply keeping pace with the cost of Federal pay raises requires an increase of more than $300 million over the fiscal year 1999 level. This leaves little room from programmatic increases and new initiatives.

The conference report before you, however, does contain significant increases for targeted, high-priority programs. The bill provides roughly $28 million to increase the base operating budgets of more than 100 units of the National Park System, while also providing funds for a focused effort to enhance our limited understanding of the tremendous natural resources present within the Park System. The bill also includes an increase of $25 million for the operation and maintenance of the National Fish and Wildlife Refuge System, and increases for critical grazing management, road maintenance, wildlife and fisheries management, and recreation programs within the Forest Service and the Bureau of Land Management.

For Indian programs, the bill provides the full administration request for the Office of the Special Trustee—the Secretary of the Interior's No. 1 priority within this bill. I fervently hope that these funds will enable the Secretary to clean up the Indian trust

fund management mess that has been allowed to accumulate over many years. The conference agreement also provides an increase of $130 million for the Indian Health Service, and increases within the Bureau of Indian Affairs for law enforcement, school operations, school repairs, and school construction.

With regard to the cultural agencies in this bill, I am pleased that the conferees agreed to the Senate position with regard to the National Endowment for the Humanities, thereby providing a $5 million increase. I was disappointed that the House would not agree to a similar increase proposed by the Senate for the National Endowment for the Arts, but anticipate we will try again next year. I also note that the bill includes $19 million for the Smithsonian to complete the federal commitment to construction of the National Museum of the American Indian on The Mall, and $20 million to continue renovations at the John F. Kennedy Center for the Performing Arts.

In addition to the programs I have mentioned, the conferees made a concerted effort to address some of the specific funding priorities voiced by the administration that were not included in either the House or Senate bill. The conference agreement includes $30 million for the Save America's Treasures Program for historic preservation, a grant program of particular importance to the First Lady funded for the first time last year. The conference agreement also provides funding for Federal land acquisition at levels higher than in either the House or Senate bill, including $40 million for the purchase of the Baca Ranch in New Mexico.

With regard to issues of policy, the conference agreement embodies a great number of compromises with both the House and the administration. The legislative provisions, or ''riders'' about which the administration has complained most vociferously have all been modified or scaled back significantly to address administration concerns.

The one year moratorium on oil valuation regulations contained in the Senate bill has been modified to provide a maximum of a 180-day delay while the Comptroller General reviews several aspects of the proposed regulations.

The provision in the Senate bill regarding millsites—which would have permanently refuted the Solicitor's opinion on this issue—has been limited to a 2-year provision that prohibits application of the new Solicitor's opinion to existing plans of operations, plans of operations filed prior to May 21, 1999, and patent applications that have been grandfathered under the terms of the Interior bill since fiscal year 1995. This provides some degree of fair treatment to those who have invested millions of dollars in the permitting process, only to find that the ground rules have been radically changed by the actions of a single bureaucrat.

With regard to grazing, the conference agreement includes a 1-year provision that is substantially similar to the provision signed into law as part of last year's bill. This provides for renewal of expired grazing permits pending completion of environmental review, but maintains completely the Secretary's right to renew, alter, or reject a renewal application upon completion of such review. The Senate bill included a permanent provision that was opposed by the administration.

The conference report embodies many more compromises such as those I have just described. I want to thank Chairman REGULA, his staff and the House conferees for their willingness to work through these many complex and difficult issues. I have thoroughly enjoyed my relationship with Chairman REGULA since becoming chairman myself, and admire his commitment to supporting, overseeing and, when needed, critiquing the important programs and agencies funded in this bill.

Finally Mr. President, I note that there are three corrections that need to be made to the conference report. The number for the Historic Preservation Fund in the National Part Service should be $75,212,000, the number for Forest Service land acquisition should be $79,575,000, and in section 310, ''1999'' should read ''2000.'' Mr. REGULA and I will take the necessary steps to ensure that thee corrections are made.

Again, I urge my colleagues to support the conference report. It is a good bill that deserves our vote, and deserves the signature of the President.

MMS ROYALTY VALUATION

Mrs. HUTCHISON. Mr. President, I rise to engage my colleagues, Senators NICKLES, DOMENICI, MURKOWSKI, and BREAUX in a discussion of the important issue of Federal oil royalty valuation.

Yesterday the House and Senate both passed the fiscal year 2000 Interior appropriations conference report. Contained within that bill is a provision addressing proposed new rules of the Minerals Management Service on establishing the value of oil from Federal leases to determine the royalty owed on that oil.

On September 23 of this year 60 Senators voted to break a Senate filibuster and vote on the Hutchison-Domenici amendment to prevent the MMS from going forward with its misguided and unworkable new valuation system. Our amendment passed, and it passed because a bipartisan majority of the U.S. Senate recognized that blocking the rule was the right thing to do. It was the right thing to do because it protected the American consumer, who is increasingly at the whim of foreign oil markets as America's oil production dwindles. And it was the right thing to do for the American taxpayer, who entrusts the Congress, not unelected bureaucrats, with the decision of whether or not to raise taxes in this country.

But despite our victory on the floor, it became apparent during the conference negotiations between the Senate and the House, that this provision in the Interior appropriations bill may be used by the President as an excuse to veto the entire bill. Because there are so many important programs funded in this bill, from national parks to energy conservation programs, I, Senator DOMENICI, and the other sponsors of this amendment, offered a compromise, which is reflected in the bill, and I wonder if my distinguished colleague from New Mexico, who has been my partner on this issue for two years, could explain that compromise?

Mr. DOMENICI. I would be happy to explain the provision, and I thank the Senator for her leadership and diligence in joining with me to fight this clear example of regulatory abuse by a Federal agency. As the Senator knows, Federal law requires that the value of oil from Federal land be determined when it is drawn from the ground, or ''at the lease.'' After decades of following the law and using this method of determining oil value, in 1997 the MMS tried to implement a new system without congressional approval and one not supported by statutory law. The proposal would peg the royalty price of the oil ''downstream,'' that is, after value has been added to it through transportation, processing, and marketing. It was the equivalent of the Federal Government saying that, rather than determine the value of Federal land timber when it is chopped-down, the Federal Government would tax the value of the timber once it was turned into furniture. We fought that plan, and will continue to fight it, as long as the MMS continues to ignore the mandate of the law and of the Congress.

But, as the Senator from Texas indicated, we offered a compromise on this issue. Frankly, part of the problem in this debate, and one of the reasons it has been so polarized, is that there has never been a comprehensive, independent assessment of just how the MMS can establish the value of Federal royalty oil in a simpler, more workable way, while following the controlling Federal statutes. Everyone agrees that the process as it exists today is too complex, and too subjective. In fact, I and other Members of Congress have held extensive meetings and hearings on the issue to determine just how we can make the rule easier and more predictable to administer, while ensuring a fair return to the taxpayer for Federal royalty oil. This provision included in the conference report requires a General Accounting Office study. We have directed the GAO to carefully examine the key issues raised

by the proposed new rule and report back to Congress before any new royalty valuation rule can go into effect. But to ensure that this is not dragged out too long, we have directed that the GAO's report on the issue be submitted to Congress within 6 months. Finally, the provision requires that any new proposal by the MMS must comply fully with all applicable Federal laws, including those requiring the establishment of oil value at the lease, that is, at the wellhead.

Mrs. HUTCHISON. I thank the Senator for that explanation, and for his leadership and hard work on this issue. I think he will agree that while this provision is certainly less than we would have liked and is less than the moratorium passed by the Senate, and, I might add, passed by the Congress and signed into law by the President on no less than three previous occasions, it is a step in the right direction.

I would also like to get the comments of my colleague from Louisiana, Senator BREAUX, who has been a stalwart supporter of reasonable and workable royalty valuation rules on his assessment of this issue.

Mr. BREAUX. I thank the Senator, and I thank all of my colleagues who have worked with me on this important matter. I certainly agree with the comments of the Senators from Texas and New Mexico that the proposed MMS royalty valuation rule simply will not work. Regulations should reflect a fair, reliable, and accurate royalty valuation system.

The issue here is really very simple: How do you set the fair market value of crude oil extracted from Federal lands on which to base the royalty calculation? Oil companies do not determine how much they have to pay—we do. Congress set the royalty percentage in the Mineral Leasing Act, the Outer Continental Shelf Lands Act, and other Federal laws and these laws provide that the royalty percentage to the Federal Government is ⅙ or ⅛ of the total value of the oil.

This is a very complicated, ongoing rulemaking procedure to assess legitimate deductions and transportation costs in order to determine the fair market value of oil. But how do you determine the price of oil that is produced in the middle of the Gulf of Mexico? You can very easily determine the price of oil at the wellhead, if you sold the oil at the wellhead, some 200 miles offshore. However, the oil is transported hundreds of miles onshore where it is refined and then ultimately sold. The question then becomes: Who pays for the transportation of the oil from the middle of the gulf? It is the Federal Government's oil. Do the companies pay for the transportation or does the Federal Government? There is a huge disagreement on this very difficult and complicated issue.

We say to the Interior Department, in the Interior appropriations conference report, that the rule is fundamentally flawed. It does not allow for the legitimate deductions in the costs of transportation that should be allowed. Therefore, do not go forward with this rule. Instead, we are giving Congress and the Interior Department time to come to an agreement on what is appropriate and I am pleased that we have been able to at least delay the rule until a suitable solution can be determined.

Mr. MURKOWSKI. I thank the Senator from Texas, as well as the Senators from New Mexico, Oklahoma, and Louisiana who have all been steadfast in their desire and commitment to ensuring a royalty valuation process that is fair to both the American taxpayer and to domestic producers. As was spelled out in the report accompanying this conference agreement, the GAO, at a minimum, must thoroughly examine and answer several central issues and answer several key questions. Among those questions the GAO must fully answer are:

1. Does the OCSLA and the MLLA require that a producer pay royalty on the value added by post-production downstream activities?

2. Does the Interior Department proposed rule allow royalty payors to obtain timely valuation methodology determinations on which they can rely similar to the practice of Internal Revenue Service letter rulings?

3. Does the proposed rule provide that the ''gross proceeds'' method utilized in valuation of arms-length transactions can not be later set aside for an alternative methodology (resulting in penalties and interest) simply because another entity was able to obtain a higher value for the sale of production in the open marketplace?

Mrs. HUTCHISON. I thank the Senator. I would also like to ask the distinguished assistant majority leader, Senator NICKLES, what, in his view, must be examined by the GAO in its study?

Mr. NICKLES. I thank the Senator. There are, indeed, other key questions that must be thoroughly reviewed and discussed by the GAO study. Specifically:

1. For non-arms length transactions; the GAO should study the use by the MMS of comparable sales as a measure of value of production at the lease, provided the lessee satisfies prescribed information and sales volume requirements. This study should not be limited to the Rocky Mountain region only, but studied for use in all areas.

2. The GAO must study the adoption of alternative ratemaking principles for DOI use in establishing the commercial rate for transportation when oil is sold downstream of the lease. GAO must also examine what adjustments are reasonable for location and quality of production and post-production activities when oil is sold downstream of the lease.

This seems to be the best way to arrive at a fair, accurate, and concise calculation of the fair market value of production at the lease.

I am confident that in this way producers and the Federal Government would be ensured a fair and workable royalty payment system.

Mr. DOMENICI. If the Senator will yield, I must say I agree with my colleagues, Senators HUTCHISON, MURKOWSKI, and NICKLES, who represent, along with myself, the key committees of jurisdiction over this issue. The GAO study that we have mandated must, at a minimum, provide a thorough examination of these issues, as detailed here and in the conference report.

Mrs. HUTCHISON. Mr. President, I thank my colleagues for their guidance and continuing interest in this regard. Finally, I believe my colleagues would agree that it would be useful if the MMS would repropose its oil valuation rule. It has been nearly 2 years since the agency put forward its last complete proposed rule. The DOI has received voluminous comments since that time, including detailed recommendations by industry at three public workshops on the rule earlier this year. It also re-opened the comment period for a month earlier this year. In trying to resolve this matter, it would be helpful if all the parties could understand the agency's current thinking on the contentious issues my colleagues have described. Reproposing the rule would be the best way to achieve that result and I strongly encourage the agency to do so.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5506. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled ''Surface Transportation Board Reauthorization Act of 1999''; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself and Mr. HATCH):

S. 1769. A bill to continue reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes; to the Committee on the Judiciary.

By Mr. LOTT (for himself, Mr. HATCH, Mr. CRAIG, Mr. COVERDELL, Mr. MCCONNELL, Mr. GREGG, Mr. GORTON, Mr. FRIST, and Mr. ASHCROFT):

S. 1770. A bill to amend the Internal Revenue Code of 1986 to permanently extend the