

under Article XVI(6) of the Treaty for settling differences arising under the Treaty.

Any portion of the Canadian Entitlement received by British Columbia or its assigns within the United States in accordance with the Disposal Agreement has entered commerce in the United States.

This exchange of notes is without prejudice to any rights or obligations that either party may have under the North American Free Trade Agreement or the Canada - United States Free Trade Agreement.

Pursuant to Article XIV(1) of the Treaty, Canada has designated the Province of British Columbia as the Canadian entity for the purpose of Article XIV(2) (i), with effect from today's date. The British Columbia Hydro and Power Authority remains the Canadian Entity for all other purposes of the Treaty. A copy of the designation is enclosed.

The French text of the attached Disposal Agreement shall be verified and agreed upon by April 30, 1999. An agreed French text shall be confirmed by an exchange of letters.

If the above is acceptable to the Government of the United States of America, I have the honour to propose that this note, with the attached Disposal Agreement, which are equally authentic in English and French, and your Excellency's affirmative note in reply shall constitute an agreement between our two Governments which shall enter into force on the date of your note in reply."