

shall be resolved in accordance with Section 6 thereof, and an arbitration between the Bonneville Power Administration and the Province of British Columbia under Section 6 of the Disposal Agreement shall constitute an alternative procedure 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