

Text of letter to Mr.G. Wade of February 28th at 12.26 PM.

Dear Guillermo Wade,

After reading *Argentina's Rising Grains Production Strands Vessels in River Traffic* February 16, 2017 by [Reuters](#), I have been thinking if I should not make some comments and today I decided to do so.

Strange enough, I found more information in this article of gCaptain about the LONG EXISTING TROUBLES in the river-system, than in a year in the local "specialized press". I could not believe that I had to read in gCaptain, that a ship had been aground in the Mitre Channel in January and that a total of **15 groundings** occurred during 2016, **12** in 2015 and **9** in 2014.

This gradual increase of groundings was already expected in 2008 during the renegotiations of the contract for the concession of Hidrovía S.A. (Jan de Nul & Emepa). This contract was to expire in 2013, but already in 2008 it was decided to extend it till 2021. Although this was under "control" of UNIREN, little official information was given about the new conditions of the extended contract. In 2008 everybody knew that in 2014/2015 the new locks in the Panama Canal would allow vessels with a beam of 49 meters, instead of the former 32,2m.

In May 2008 the Rosario Stock Exchange made a special seminar on the importance of the Paraguay-Parana-River and **I made a PPT** advising that this new width-limit of the Panama Canal should be taken into account for a **contract that would run till 2012: The channels should not only be deeper, but also wider**. This was what all Pilot's Associations said at that time. **The "design vessel" of the original contract of 1995 with a 32,2 m beam, should be changed for one with at least a 40 feet-beam**. (In fact in 2008 there were already many bulkcarriers with that beam in use in the River Plate). **This was not foreseen in the proposed new contract-conditions**.

Before the contract could be extended a Public Hearing took place in February 2009, where I repeated this point, which still was not foreseen in the proposed text. Strange enough, NEITHER the Rosario Stock Exchange nor ANY OTHER ENTITY, supported this and the contract was extended maintaining the design-vessel with a beam of 32,2 m. Now there are container-vessels with 48 m beam coming into the River Plate. Now everybody is crying that the channels are not only not deep enough, they are not wide enough and pose a greater safety-problem.

Although gCaptain gives more information than the local press, the information given in the interview is very superficial. **"The entire river system is at its current limit," said Koen Robijns, Argentine operations manager for Jan De Nul, the company that operates the Parana and is responsible for dredging.**

Although nobody can criticize the excellent work done by Jan de Nul, nobody talks about the fact that ARGENTINA does not use a RIVERSYSTEM, and *Jan de Nul does not "operate the Parana"*

Hidrovia S.A. in which Jan de Nul is a partner, has a dredging-concession which **goes through the secondary branch of the river Parana, the Parana de las Palmas**.

The natural main outlet of the Parana-river is through the branches Parana-Guazú and Parana-Bravo, for which the Martin Garcia Channel was dredged after 2001.

In the original "Hidrovia S.A.-contract" of 1995, a clause was included that, in case any other channel would be opened, and vessels would use that **COMPETING CHANNEL**, the Argentine State should compensate Hidrovia SA for the full lost earnings. This full-payment of

compensation by the Argentine State of all lost income of vessels using the MARTIN GARCIA Channel, was stopped in the crisis of 2001, but until 2008 certain payments were made. No clear public information is available what this original clause means in the extended contract (2013-202).

The Martin Garcia Channel , which was opened in 2001 as a concession shared between Argentina and Uruguay, was maintained by Boskalis until January 2013, when the 2 countries decided to maintain that channel with their State Company dredgers. This had as a result that after 2 years, the channel lost depth and width and special contracts were made to bring the channel back into condition, first by Chinese, followed by a new contract with Boskalis, which is under execution now and is far advanced to bring the channel back in its original condition. **But with that condition, this channel is not only not deep enough: if loaded vessels from Rosario would be able to use this channel, it should be much wider. A new part should be constructed to avoid hard soils.**

Many presentations were made with well-founded arguments, that loaded vessels from Rosario, would lose less time if they could go out through the Parana Guazú and Parana Bravo and the Martin Garcia Channel.

In that case many more “roads”/waiting areas can be made for vessels that have to interrupt their voyage for different reasons, but very often for channel-closures. In the the proposed new route, many waiting areas can be created, even some in natural conditions of the river. (See presentations in the Smart-rivers Conference of September 2015 and in a Ports and Multimodal Transport Seminar in October 2015 and 2016.)

Much is spoken about the use of the “Hidrovia of the River Paraguay-Paraná “and for years at a stretch, several seminars were hold on this subject and again are planned for the future.

But much more than all those seminars together could tell, can be found in a fim with very important and very clear explanations of what should be done. **One can find this in a very interesting and well-planned film that was made by Mr.Carlos Velar of “Alimentos y Regiones.”**

After having made a very good film of the use of the River Paraguay-Paraná, with many interviews about the problems, M.Velar went to Europe and did the same with the operations in the River Rhine and a made a most interesting interview with the then General Secretary of the Central Commission of the River Rhine.

This interview with Mr. Hans van der Werf, who finished his period as General Secretary some months ago, should come into the spotlight.

It is in the interest of all Mercosur countries to open an ample debate of the use of the HPP in benefit of all countries and use as a starting-point the publication of Reuters in gCaptain and what is said in the very professional film of Mr. Carlos Velar’s interview with Mr. Van der Werf.

Dear Guillermo, I hope to receive your reply soonest possible.

Best regards,

Antonio