

IN Withdraws Support For Fertilizer Plant

The Associated Press

INDIANAPOLIS (AP) — Indiana officials withdrew state backing Friday for a fertilizer plant over concerns about whether its Pakistan-based owners are doing enough at its overseas operations to keep the potentially explosive material from being used against U.S. troops.

Gov. Mike Pence said in a statement that state economic development officials had decided to pull back support for Midwest Fertilizer Corp. "following careful review."

The Indiana Finance Authority issued \$1.3 billion in bonds in December for a nitrogen fertilizer plant Midwest Fertilizer wants to build at the Port of Mount Vernon, west of Evansville. Midwest Fertilizer is owned by the Fatima Group, a company based in Lahore, Pakistan, that already manufactures fertilizer in the south Asian country.

The state agency learned Jan. 14 about concerns Fatima Group might not be cooperating with U.S. officials worried that fertilizer made in Pakistan ends up in improvised explosive devices in Afghanistan that have killed American troops.

Pence ordered the incentives put on hold shortly after his inauguration Jan. 14 while the state was "actively investigating the situation in consultation with federal authorities" and the U.S. Department of Defense. He made that decision permanent Friday.

"I did not take this decision lightly. Economic development is important, but the safety and security of our soldiers in harm's way is more important," Pence said.

"Without assurances from our Defense Department that the materials which have been misused by the enemy in Afghanistan will be permanently removed from production by Fatima Group in Pakistan, I cannot in good conscience tell our soldiers and their families that this deal should move forward," he added later in the statement.

The company said it has a reformulated product that is less explosive, but U.S. officials have not yet tested it.

The Fatima Group issued a statement Friday saying that it would continue with the project despite the withdrawal of state incentives.

Midwest said the Fatima Group has begun tracking its product and suspended sales of a chemical used in both fertilizer and explosives in some Pakistani provinces.

Midwest said it's still exploring options with local economic development officials.

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The company said the \$1.8 billion plant is expected to create 300 permanent, high-wage jobs, and as many as 2,500 jobs during three years of construction.

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