EXHIBIT 13



Memo

To:

Andy Russell

From:

Jerry Henry

CC:

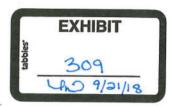
Malcolm Green, Laura Burzesi, File

Date:

March 25, 1997

Re:

Encon visit 3/25/97



Visit was made by Bob Warland (he has been here several times in the past) and his boss, Peter Mack. They made a visit to the top of the ovens and then proceeded to Jerry's office along with Malcolm, Laura, Jerry and Sheri.

Opening comments were how Taconic has been working well with Encon and Taconic wants to be a responsible neighbor in this community. Encon agreed a said that in the past there had been a few bumps but lately it has been much better. Jerry mentioned how we employ locally as well as utilize local businesses on a-daily basis. Taconic is growing and has plans for expansion. It was mentioned that some people in the community like us and some do not.

The meeting then went to the tour of the tops of the towers:

They want no harmful air to the life in the valley.

How well does the Smog Hog function and what is its' capacity?

How much property do we own around us? Encon was talking about off property receptors – due to the lay out, there is no concern "at this time". Taconic should be aware of this when we expand.

Discussion of fusion modeling using Gousian?(sp) with bell shaped curve for the emission from stack and at ground level. Prevailing winds are taken in to account.

They are looking for a total hydrocarbon test (method 18) as Aspecation?(sp) Testing (method 25). They are concerned with ammonia in the Teflon dispersion. Malcolm explained that this is removed during the coating process and then removed to the pollution equipment. They want to test for this at the stack. They would like this done in 6-7 months if not sooner.

The testing will take place after the incinerator is up and running. Taconic will also test the capacity of the smog hog at that time.

Encon will give us the acceptable levels for the test - what to measure is the difficulty.

There was some conversation of our neighbors in Hoosick Falls – Encon has been beating up the Liberty Street plant but not McCarthy. Also – our Vermont neighbors have told the Governor of Vermont that they can always move to New York.

Encons outlook at business? They want to be able to credibly defend industry that can honestly be credibly defended.

We are going to have an order stating the ovens in building one can not be operated until controls for concentrations have been installed. Malcolm will give the schedule to Encon by 4/7/97 for the installation of incinerator. The order is for our protection as well as the state.

The time line is as follows:

- Malcolm will issue a protocol and send it to Encon on how we will handle the testing.
- 2. Encon will approval the protocol.
- 3. The testing will be done.
- 4. The test results will be sent in.
- The diffusion modeling will be done by Encon.