

EXHIBIT 40

TACONIC

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Taconic PFOA summary and assessment

Potential Interested Parties

- Suppliers
- Employees (have already expressed concern)
- Customers (have already expressed concern)
- General Public
- Media

Potential Sources of PFOA entering the facility:

- Dispersion supplied from the upstream supply chain
- Environmental PFOA

Process Streams of Interest:

- Dispersion Processing
- Well water
- Air
- Air Emissions
- Wastewater emissions
- Septic leach fields

Current Status of PFOA analysis and risk assessment

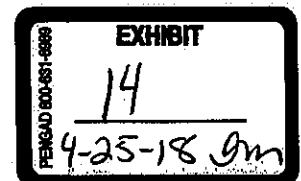
As of July 7, 2005, Taconic has taken several steps toward understanding and reducing risks associated with the presence of Ammonium Perfluorooctanoate in our process streams. In 2003, general atmospheric sampling in the work areas of the facility in Petersburgh was conducted to assess the exposure of plant employees to airborne PFOA. Using test methods developed by Adirondack Environmental, based on gas chromatography no PFOA was detected. Adirondack Environmental developed its own test procedures because there was no approved standard sampling or detection method available in 2003. As part of the EPA and interested parties effort to understand the risks of PFOA in and exposure routes of PFOA to the general population, test methods for these procedures have been developed and refined. However, the test method developed by Adirondack included no positive spike sample to evaluate the test method. Consequently, the results of Adirondack's testing are not scientifically sound. Adirondack is not a laboratory recommended for PFOA analysis at this time.

Also during 2003, samples of laminate and release sheets typical of Taconic's products were tested by gas chromatography-mass spectrometry to evaluate levels of APFO in Taconic's products. No APFO was found in the product during this analysis. The analysis did use a positive control for comparison of the experimental data.

Subsequently, the challenge of wastewater disposal due to the closure of the Hoosick Falls treatment plant for other issues not related to PFOA caused a sample of waste water to be evaluated in 2004. Some unprocessed dispersion enters the wastewater stream. A positive result was expected and found. Beyond that test, groundwater samples from the wells supplying Taconic's facility were evaluated and found to contain low levels of APFO. Upon discovering this source, the drinking water supply for the facility was immediately changed to bottled water from a source outside the plant. In the space between the discovery of APFO in the well water and the current date, the engineering staff has been engaged in a program to evaluate any known means of removing APFO from incoming water.

The presence of APFO in wastewater has also resulted in efforts to reduce the amount of dispersion released to the wastewater stream and to investigate methods by which the APFO might be removed from the wastewater stream. A recent visit to DuPont allowed Taconic to learn that the use of activated carbon filtration is an economically viable means to remove APFO from water streams. This technology is currently being evaluated to determine the appropriate process conditions for treatment at the site in Petersburgh.

This statement contains Taconic Confidential Information



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In addition to the potential for exposure in the immediate environment surrounding the Taconic facility in Petersburg, customers have been calling to inquire about the safety issues associated with PFOA and PTFE (usually under the DuPont trade name Teflon). The public media coverage of the PFOA issue has caused safety precautions associated with PTFE processing to be mingled with safety concerns associated with PFOA. In several instructions to the customer service staff in the Industrial Product division, all questions concerning PFOA are to be redirected to Timothy Kosto, Technical Manager, who assumed responsibility for the communications related to PFOA from Tom McCarthy, Director of Product Development, about August 2003. Attached to this communication are several letters that have been supplied to customers based on their inquiries. The letter has necessarily changed as facts and the questions asked, have dictated. It is critical in any communication to separate the safety concerns of PTFE processing and Polymer Fume Fever, from the safety concerns associated with APFO, the processing aid used to manufacture PTFE and stabilize the latex dispersion of PTFE used by Taconic in the manufacture of its products.

During the fourth quarter of 2003 and the first quarter of 2004, Tim Kosto also participated in meetings of the Fluoropolymer Processors Group of the Society of the Plastics Industry. This group essentially met to understand the issues associated with APFO and how the manufacturers intended to reduce potential exposure and to learn in part from the manufacturers, what technical and scientific data was known concerning APFO so that processors could take the appropriate steps to reduce APFO exposure. Despite Taconic's departure in an official capacity, some communication with the group has been maintained so that Taconic continues to have a current understanding of the technical issues associated with APFO.

As of this assessment, the fluoropolymer manufacturers have committed to reducing the amount of APFO in their marketed dispersions to less than 10% of the current concentration by the end of 2006. The engineering staff evaluates any potential low APFO formulation as soon as a supplier can provide a quantity large enough for evaluation on our processing equipment (typically 100 gallons). To date, low APFO dispersion from DuPont has undergone evaluation in Petersburg. Our other standard suppliers do not have a low APFO dispersion for evaluation, although we are expecting other suppliers to provide material during the late 3rd quarter 2005. The objective of this effort is to have the capability to switch to low APFO dispersions at the earliest possible point following market release of a suitable dispersion by Taconic's suppliers. At this time, the evaluations of low APFO dispersion from DuPont have not shown any significant problems which would prevent Taconic from using material when it becomes commercially available.

The following path forward is currently being pursued in Petersburg by the environmental and engineering staffs:

1. Reduce the amount of APFO entering the facility from our upstream raw material supply.
2. Evaluate any process technology to remove APFO from other incoming streams.
3. Evaluate any process technology to eliminate APFO from outgoing waste streams.
4. Continue the practice of single point of contact for APFO inquiries which allows the body of knowledge to be centrally assembled and disseminated without rumor or conjecture.
5. Provide technically correct communications with our customers concerning the presence of APFO in Taconic's products.

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