



DEPARTMENT OF JUSTICE
Antitrust Division

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Senator Paul S. Sarbanes
United States Senate
Washington, DC 20510

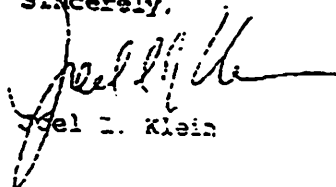
Dear Senator Sarbanes:

I am writing in response to your August 6th letter on behalf of Mr. Doug Harris, managing director of Vacuette, a division of Greiner Meditech, a Maryland-based health-care supply firm. Mr. Harris addresses the concern that group purchasing organizations (GPOs) and large medical manufacturers restrain trade through exclusive contracts, thus having a negative impact on competition and medical innovation.

The Department's Antitrust Division is currently engaged in an evaluation of the competitive impact of GPO contracting practices under the federal antitrust laws. I have referred Mr. Harris' complaint to the Division's Health Care Task Force for review in the context of this larger inquiry. We are interested in learning more about the concerns of small manufacturers, and it is possible that staff will contact Mr. Harris by telephone to invite further discussion.

We appreciate your interest in antitrust enforcement. Thank you for referring this matter to our attention.

Sincerely,



Joel L. Klein