

October 4, 2004

To: Anti-trust modernization committee (AMC)

From: Fredrick M. Valerino, Sr.-Founder, Pevco Systems International, Inc.

Pevco Systems International, Inc., located in Baltimore, MD is an American owned small business and GSA contractor which manufactures and installs pneumatic tube systems strictly for healthcare. These systems are utilized for small item transport such as blood, specimens, isotopes and pharmaceuticals in hospitals.

Our major competitor Swisslog/Translogic maintains the dominant share of the healthcare pneumatic tube system market. As the sole source pneumatic tube manufacturer for the largest healthcare group purchasing organizations, e.g. (Premier, InterMountain Healthcare, VHA) in the U.S. , Swisslog Translogic has had the opportunity to continue their dominance in the healthcare market, as well as increase market share by providing predatory pricing to secure Pevco based customers.

With 80% of the market place Swisslog Translogic has focused on predatory pricing to increase their market share even further by "buying" Pevco based customers such as the Univ. of Alabama MC, Birmingham, Beaumont Medical Center, Royal Oak, MI., Columbia Presbyterian NYC, NY, Memorial Hospital Sloan Kettering, NYC, NY, et al. In a recent internally circulated article by one of the major GPO's they listed Swisslog Translogic as representing over 70% of the PTS healthcare market and added 10% by the acquisition of Quantum Industries, or a total of 80% plus in the market place.

It is our firm contention and belief that the Swisslog Translogic dominance in the healthcare market place will continue to cause directly and indirectly, a further increase in healthcare costs as a result of their continued search for sole source in the healthcare, pneumatic tube system marketplace in the United States of America.