

ceutical industry does not lend itself to substantial participation by small business. That is true in certain other fields as well. That is true particularly, of course, since we gave up financing pharmaceuticals in finished dosage form.

Mr. GORDON. Why did you stop doing that?

Mr. DWINELL. My colleagues who have been with the Agency longer and have had experience with the financing in finished dosage form, I think, can speak to that better than I. Mr. Salant?

Mr. SALANT. I think Mr. Eytan has already mentioned some of the problems with respect to the financing of the finished-dosage-form pharmaceuticals that were encountered by the Agency.

Mr. GORDON. I do not recall any of the explanations.

Mr. SALANT. I am sorry, I will repeat some of them and perhaps add a few others.

First, there was a problem of identification of pharmaceuticals: trade names given to finished dosage products made it extremely difficult to identify precisely what each product was. The second thing was the virtual impossibility—

Senator NELSON. I do not follow that first answer. What is so difficult about identifying what the finished dosage form is?

Mr. SALANT. At the time we financed private sector purchases of finished-dosage-form pharmaceuticals, we could not identify many of the generic designations from non-U.S. suppliers who were then eligible sources of supply.

Senator NELSON. That would make it very difficult.

Mr. SALANT. So it was difficult to compare one pharmaceutical with another. It was also extremely difficult to evaluate prices as between pharmaceuticals, as between one product and another.

Senator NELSON. What is so difficult about that?

Mr. SALANT. I beg pardon?

Senator NELSON. What is difficult about that?

Mr. SALANT. We can, of course, see the prices, but whether the prices are or are not justified constituted a real problem for our price review people.

Senator NELSON. Just so I have it clear in my mind, if you are going to take the bid on prednisone—everyone knows what it is—and you set the specifications on its contents and characteristics in accordance with USP or NF standards. You would then get bids from perhaps 10 or 15 companies, some of which sell it by brand names. But I do not understand the difficulty.

Mr. SALANT. I fully agree with you—in connection with any formal bid procurement, it is possible to do that. I was addressing myself to the private sector, to which I thought Mr. Gordon was posing his question. And in private sector procurement under the commercial import program, our rules now state that we do not finance pharmaceuticals in finished dosage form.

So if I may amend the statement and bring it down to that particular aspect, agreeing with you that for the public procurement we can, we do, currently and effectively, purchase financed dosage form pursuant to formal bid procedures.

Senator NELSON. When you say “private sector,” you are referring to the programs we are talking about now—