

fense Medical Materiel Board and Assistant Chief of the Bureau of Medicine and Surgery for Planning and Logistics. It is a pleasure to appear before this subcommittee to describe and discuss the manner in which the Department of Defense procures pharmaceutical products. My formal statement has been previously submitted to the subcommittee for your review and study. With your permission I will, therefore, summarize it only and request that the full statement be inserted in the record.

Senator NELSON. The statement will be printed in full in the record.¹ You may present it however you desire and if you wish to elaborate on it in any way or extemporize, just feel free to do so.

Admiral ETTER. At the end of World War II the Army and Navy medical departments established the first consolidated standardized procurement office to serve the needs of both services. From that example has evolved our present DOD medical supply system. As it exists today our system includes a specific sequence of events.

Senator NELSON. May I interrupt a moment? I think it might be better if you would read it, and when we come to those parts that we have covered as a consequence of questions, you could skip them. That way it will be easier to follow your statement. In other words, would you just read your statement.

Admiral ETTER. The full statement, sir?

Senator NELSON. Yes. We will come to some questions which I have keyed to various parts of your statement, and in exploring these questions, we will cover other parts of your statement. Those parts that we cover you can just skip as you go along.

Admiral ETTER. It is a statement, as you know, quite lengthy.

Senator NELSON. I think some of our questions will cover fair parts of your statement, so you will be able to skip large parts of it later.

I have some questions, for example, on "Type Classification" starting under the title "Initial Action." Perhaps if you could present part of that, we can then raise some questions.

Admiral ETTER. Initial action. Type classification is a term applied to the adoption of a drug as a standard item, and its subsequent inclusion in the Department of Defense Medical Materiel Section of the Federal Supply Catalog. Type classification is a responsibility of the Defense Medical Materiel Board, but the action must be sponsored by one or more of the services.

Some drugs are type classified as standard because the worldwide commitments of the Armed Forces make it imperative that these items be readily available at all times, regardless of usage or consumption rates. Our usual motivation, however, is the dollar savings which accrue through our centralized purchasing and distribution system. Consequently, although type classification action may be initiated as a result of the recommendation of an individual, a presentation by industry, or a proposal by DMMB, most actions follow a determination that the volume of local purchases by field activities indicates that economies will result.

For several years, for example, we have been stock listing calcium carbonate and aminoacetic acid tablets (FSN 6505-890-1658). Type

¹ See information beginning at p. 7578.