

8032 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

United States General Accounting Office
Washington, D.C. 20548

For Release on Delivery
Expected at 10 AM EST
January 19, 1971

STATEMENT OF
ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
MONOPOLY SUBCOMMITTEE
SELECT COMMITTEE ON SMALL BUSINESS
UNITED STATES SENATE
ON
DRUG PROCUREMENT SYSTEMS OF FEDERAL AGENCIES

Mr. Chairman and Members of the Subcommittee, I am pleased to appear here today in response to your request to discuss the drug procurement systems of Federal agencies.

As you requested, we plan to discuss the efficacy, economy, and rationality in the drug procurement activities of the Federal Government. Specifically you asked that we discuss the methods of procurement, the degree of competition obtained, participation by small business and the use of section 1498, of title 28 of the United States Code to procure drugs covered by patents.

Our discussion today will focus upon the systems through which the Federal Government directly procures drugs from manufacturers and other suppliers. We would like to mention, however, that since our last appearance before this Subcommittee in May 1967, we have conducted reviews of and issued reports on other aspects of the Government's drug-related