

Colonel SNYDER. The principal difference—there is a difference in cost and when you think in terms of dollars as opposed to terms of dose forms, it seems substantial, but we are buying in very large quantities and what seems to be an inordinate amount is a very small percentage of the total.

Senator NELSON. But if our figures are correct, you paid \$3 million for these and other formulations of tetracycline HCL. You could have saved \$2,300,000 or, in other words, bought tetracycline HCL for \$700,000 instead of \$3 million, which seems to me is substantial. I wonder what the justification is unless there is a medical justification.

Colonel SNYDER. I won't speak to the prescribing habits but actually 85 percent of the total prescribed is generic.

General HAYES. Mr. Chairman, I think we have to put in this somewhat proper time reference and the purchasing time, 1968 to last year—this kind of information was not available and this carefully reasoned study of the NAS-NRC type was not available to the people who were prescribing or purchasing.

Now I think if we put it in the proper time, I would like to get a little later on into what we are doing with the very useful tool that we have at the present time to accomplish what you are talking about.

Senator NELSON. The Medical Letter was dated 1968. Counsel says he is not sure. It might have been 1969.

The counsel reminds me that the NAS-NRC didn't cover these tetracyclines. They weren't part of this study on efficacy. I guess nobody is arguing about the efficacy of any of these variations of the tetracyclines. The only question is the price.

What the drug companies have done is taken tetracycline, made some modifications, put a brand name on them, and charged a higher price, while the Medical Letter and medical scientists are saying they all do the same thing. Why pay the higher price?

General HAYES. We will now turn from a discussion of what we have to why we have it, and how to get it. It is DOD policy that our stock list shall consist of quality drug products procured competitively on generic specifications; and at the most economical prices we can obtain.

We cannot procure competitively without a generic specification. Our standards are basically those of the USP and NF, supplemented with such additional standards as are necessary to insure suitability not only at the time of procurement, but also following possible long-term storage throughout the world in Arctic, Temperate, or Torrid zones. Many of our specifications include standards which have been obtained from industry during the standardization procedure. If we are to obtain suitable materiel competitively, we must include these details in order to provide other than product originators with the necessary product information.

The specifications are developed, and procurement is effected by the Defense Personnel Support Center (DPSC). Each DPSC solicitation (other than an emergency purchase) is directed to all firms on the bidders list, and each solicitation for \$10,000 or more is published in the Commerce Business Daily. In fiscal year 1970, 16.9 percent of