

Senator NELSON. Do these special specifications apply only to the drugs you purchase for sending overseas or do you require that of everything you buy, for domestic consumption and overseas consumption?

Mr. FEINBERG. We have one system. We do not know which bottle will ultimately go from a depot to overseas versus a bottle going domestically.

Senator NELSON. How much does that add to the cost?

In other words, if you are having the manufacturer meet all kinds of special problems in the process of putting the tablet or injectable together that he doesn't have to do for the domestic market, what does that do to the cost of the drug you are buying?

Mr. FEINBERG. I don't know that, sir. But generally speaking, the standards that we have are utilized by the companies in their commercial market, too.

Senator NELSON. Oh, so what you are talking about is automatically done by them in their sales in the domestic market anyway.

Mr. FEINBERG. So far as we know.

Senator NELSON. Well, then, all this talk about these being specially designed tablets and drugs for Indonesia or elsewhere is all nonsense?

General HAYES. No. That is a non sequitur, Mr. Chairman.

Senator NELSON. Pardon?

General HAYES. That is a non sequitur.

Senator NELSON. What is?

General HAYES. What Mr. Feinberg really is saying here is that the specifications have been upped by the USP and the NF to come to these more stringent specifications that we have talked about in many areas because they have resulted in a better and more stable product.

Senator NELSON. Well, then, if that is the USP and NF standard—

General HAYES. But it is not universal.

Senator NELSON. Pardon?

General HAYES. It is not universal.

Senator NELSON. What is not universal?

General HAYES. The fact that these standards have come up. Captain MacPherson would like to say a few words.

Senator NELSON. If it is adopted by the USP and NF it is universal so far as the United States is concerned.

General HAYES. Not all products.

Senator NELSON. So what you are saying is USP and NF adopted these standards for some products but not for all products.

General HAYES. That is right.

Senator NELSON. I must say that is a bit puzzling. I had a long detailed explanation of how drug firms had to compound their drugs differently for possible overseas use; that that is the only kind you bought; and the company had to meet those standards or you couldn't buy them. Then I am told that these companies that you approve of are producing their products for the domestic market the same way. And now you are saying that they do it the same way for some of their products but not for all of them, is that it?

Colonel SNYDER. If I may, sir—