

of the competition is eliminated. That is what you have to get at. And he says that it is because frequently specifications are designed by a particular manufacturer.

All I am saying is that if a drug meets USP standards or National Formulary standards, you should investigate the possibility that other specifications are being infiltrated in here in order to eliminate the competition?

Now, if it is a question of being able to handle it under adverse climatic conditions, as in the jungle, that is another problem. I am not talking about that. I am talking about a negotiated contract for supplying our forces here in the United States or Europe or VA. When there are several manufacturers, why should there be a negotiated contract?

Mr. STAATS. We are in agreement with you on this point, Mr. Chairman. That is why we brought it out in our statement and that is why we said there are dangers here unless these are truly required for the needs of the military services, such as the climate conditions that you just referred to.

Senator NELSON. Well, if this statement of Colonel Breyfogle means anything, he is addressing himself to a different situation from that.

I do not really understand. We raised this question a year ago. You thought it was important enough to take a look at it so that you go and have conferences with the manufacturers. Then the manufacturers turn you down in informal conferences, at least. And now you are saying that you do not think it is worthwhile doing in the first place. Well, why bother to confer with them if you did not have it in mind that it might be worthwhile to find out what their costs were on a negotiated contract?

Mr. STAATS. Well, I think we are interested in getting what we can if it is going to be meaningful. But if it is not going to be meaningful, if the accounts are not kept in such a way that we can draw any meaningful conclusions, I do not see that it is anything but a waste of time.

Senator NELSON. But they just turned you down. They did not let you look at their books, did they? How do you know whether there is—

Mr. STAATS. I do not think that would be quite an accurate statement.

Senator NELSON. I am asking you.

Mr. STAATS. It is a good question. But the only problem that we have encountered—

Senator NELSON. The only what?

Mr. STAATS. The only problem that has been raised in connection with this is to try to break down the total costs by product line, by individual drug. I do not think the problem would be as great if you wanted to take a company's drug sales for, say, the DPSC or the VA. It is when you try to break it down by product line and make the information public so that Company X knows exactly what Company Y's costs are that you have a very serious proprietary data issue. This is a matter of law also.

Now, maybe you are not suggesting that we ought to make product line information public. I am not sure what you are suggesting.

Senator NELSON. I do not know what the intent of Congress was in passing the law and I would not want to make an off-the-cuff judg-